OFFICIAL REPORT
AITHISG OIFIGEIL

Public Audit Committee

Thursday 6 October 2022

The Scottish Parliament
Pàrlamaid na h-Alba

Thursday 6 October 2022

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PUBLIC AUDIT COMMITTEE
24th Meeting 2022, Session 6

CONVENER

*Richard Leonard (Central Scotland) (Lab)

DEPUTY CONVENER

*Sharon Dowey (South Scotland) (Con)

COMMITTEE MEMBERS

*Colin Beattie (Midlothian North and Musselburgh) (SNP)
*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)
*Craig Hoy (South Scotland) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Stephen Boyle (Auditor General for Scotland)
Andrew Burns (Accounts Commission)
Corrinne Forsyth (Audit Scotland)
Paul Johnston (Scottish Government)
Catriona Maclean (Scottish Government)
Mary McAllan (Scottish Government)
Tricia Meldrum (Audit Scotland)

CLERK TO THE COMMITTEE

Lynn Russell

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Public Audit Committee

Thursday 6 October 2022

[The Convener opened the meeting at 09:15]

Decision on Taking Business in Private

The Convener (Richard Leonard): Good morning. I welcome everybody to the 24th meeting in 2022 of the Public Audit Committee.

Agenda item 1 is to decide whether to take items 4, 5 and 6 in private. Do members agree to do that?

Members *indicated agreement.*

Scottish Government Relationships with Public Bodies (Progress Review)

09:15

The Convener: In our first evidence session this morning, we will consider "Progress Review of Scottish Government Relationships with Public Bodies". I am pleased to welcome the Scottish Government witnesses in the committee room. Paul Johnston is director general communities; Mary McAllan is director of Covid recovery and public service reform; and Catriona Maclean is deputy director public bodies support unit.

Colin Beattie, who is the fifth member of the committee, is joining us remotely. I will bring him in shortly.

I invite the director general to make an opening statement, after which we will have questions. We have copies of the review report that was produced for you and your response to the recommendations in it.

Paul Johnston (Scottish Government): Thank you very much. I am grateful to the committee for the opportunity to discuss the Scottish Government's relationships with public bodies and the implementation of the report.

Public bodies play a vital role in the delivery of public services in Scotland. They make a huge contribution to the delivery of better outcomes for people throughout this country. They employ approximately 225,000 staff, and they spend around £22 billion of public money each year. All of that emphasises the need for clear and effective engagement between the Scottish Government and our public bodies.

In March last year, I commissioned a short review of the Scottish Government's relationships with public bodies. The review report was published alongside the Scottish Government's response on 28 February this year, and all 14 recommendations were accepted by the Scottish Government. I am happy to update the committee on the progress that has been made with implementation.

The permanent secretary attended this committee in February and committed to a session with his executive team on the implementation of the recommendations across the Scottish Government. I can confirm that that meeting has taken place and that I was in it. We discussed and agreed the next steps to secure the implementation of the recommendations.

Each director general now has responsibility for the relationship with the public bodies in their area,

and we are all working on the recommendations with our own leadership teams and connecting with the chairs and chief executives of the bodies in our areas, with a view to ensuring that the recommendations deliver the progress that is needed and maximise the contribution that our public bodies make to delivering better outcomes. We are taking stock of progress more formally in our quarterly assurance meetings.

The recommendations include some that relate to important aspects of procedure, such as clear and up-to-date framework agreements and arrangements for the escalation of risk, but they also relate to important behavioural aspects of the role—to the need to build open and trusting relationships, to have regular dialogue, and to support our leaders in public bodies to learn, connect and, ultimately, excel in their role.

As portfolio accountable officer for social justice, housing and local government, I have responsibility for the relationship between the Scottish Government and public bodies such as Social Security Scotland. I am happy to describe the arrangements that are in place to ensure effective engagement between the Scottish Government and what is now a very significant agency that delivers social security support to people throughout Scotland.

I am joined by Mary McAllan, who is director of Covid recovery and public service reform, and Catriona Maclean, who is deputy director in Mary McAllan's area. Catriona Maclean leads the team that is focused on implementing the recommendations and providing support to sponsor teams and public bodies throughout Scotland. I am grateful for the work that she and her team are taking forward in collaboration with sponsor teams and public bodies. It is very much a team effort that is focused on ensuring that our public bodies operate effectively to secure the outcomes that they have been tasked with delivering.

We are keen to hear the committee's views today on the implementation of the report. We appreciate the committee's focus on this important area. Thank you.

The Convener: Thank you, director general, for that opening statement. We have quite a number of questions that we want to put to you. They cover much of the ground that you outlined in your opening statement, which was helpful. I turn first of all to Craig Hoy.

Craig Hoy (South Scotland) (Con): Good morning. Mr Johnston. I have some technical questions on governance and accountability. Bearing in mind that the review is quite technical in nature, they probably follow that theme.

The review notes that portfolio accountable officers are not responsible for the performance of a public body, but it makes it clear that the Scottish Government will work closely with the body and that interventions that cross the normal lines of accountability are possible and are made as a formal decision of the portfolio accountable officer. Are there guidelines and criteria on what would trigger such an intervention? Can you bring to our attention any recent such interventions?

Paul Johnston: The role of the portfolio accountable officer is ultimately set out in the Public Finance and Accountability (Scotland) Act 2000. It is absolutely correct that, as is set out in the report, each body will have its own accountable officer, who will be directly accountable to Parliament for the efficient and effective discharge of their functions.

It is the portfolio accountable officer's role to liaise with the accountable officer and others in the body concerned. The report that we have in front of us sets out the need for clear processes and procedures around identification and escalation of risks. Before we get into that, there is a prior need to ensure good engagement between the Scottish Government and the bodies, but what we are doing in the implementation of the review is ensuring that there is added rigour around those escalation processes.

In particular, we are asking each portfolio accountable officer to ensure that, at the formal quarterly assurance meeting—which is typically attended by internal audit, Audit Scotland and non-executive directors—there is a look at all the bodies in the portfolio and, in effect, an assessment as to where they are all at in performance and delivery.

I can confirm that, in the area for which I have responsibility, that assessment is now under way and none of the bodies in my area is at a particular point of escalation. The overall process is one that we are very much still developing. We are bedding it in but, as the permanent secretary said when he gave evidence, our expectation is that we will be able to confirm by the end of the year that the implementation of all the recommendations is in hand.

Craig Hoy: Recommendation 1 states that portfolio accountable officers should ensure that sponsor teams work with public bodies and their accountable officers to make sure that their roles and responsibilities are as clear as possible. Can you provide an update on the progress that has been made on implementing that recommendation throughout the Scottish Government?

Paul Johnston: Yes. That is captured in most cases in the framework document between the body and the Scottish Government. That

document should always set out the roles and responsibilities and it should be kept under regular review.

Catriona Maclean's team has been liaising with portfolios and sponsor teams right across the Scottish Government to share good practice around some of the framework documents we see that we think are particularly crisp and clear, all with a view to building up a comprehensive register of all the framework documents. At present, most of the bodies that require framework documents have got them in good shape, but there are some that are still under development. We want to see that being fully comprehensive.

Craig Hoy: Ms MacLean, can you give us an example of that good practice? What things do you typically look for?

Catriona Maclean: I will add to what Mr Johnston said. Until now, there has been a generic framework document, but we have developed documents for the different types of public body, including agencies and non-ministerial offices. That nuance was not there before, so we have created some bespoke documentation, because there are different responsibilities depending on the characteristics of the public body.

The framework documents take the responsibilities that are laid out in the public finance manual and set them out clearly so that people understand their responsibilities. An example of good practice is that each public body adheres to the model framework documents. We are in the final stages of refreshing the documents at the moment, but the draft documents are available for public bodies to use at the moment. They should be finalised by the end of this month.

If a public body is not adhering to the framework, it has to say why. Framework documents are an opportunity for sponsor teams and public bodies to look at the documents, consider what they mean for their responsibilities and consider how they interact with each other. Every public body should do that, and, as Mr Johnston said, they should review the process regularly. We would anticipate that that would normally be done on a three-year cycle.

Craig Hoy: The framework documents sound pretty integral to the whole process, but paragraph 4.9 of the review described examples of where the roles and responsibilities of both parties are not always understood, and it says that the way in which the Scottish Government works with public bodies in practice does not always follow the expected lines of accountability. What steps can portfolio accountable officers take to ensure that what should be happening is actually happening, and that the document is a living, breathing entity?

Paul Johnston: You asked for some specific examples, and a number come to mind. I have to say that, at times, the framework documents have been revised and updated when things have not gone so well, in particular in the light of the scrutiny of the predecessor to this committee. I was a witness to your predecessor committee to speak about Bòrd na Gàidhlig. That is an example of a body whose arrangements have been clarified and strengthened. I could point to a current, up-to-date framework document to show that, and it has been good to see more recent audit reports recognising the clarity that now exists on the role of the body and its relationship with the Scottish Government.

I can also point to the framework documents that exist between the Scottish Government and Social Security Scotland and those that exist between the Scottish Government and the Scottish Housing Regulator. Those bodies are very different in size and scale and the framework documents would not be expected to be the same for those bodies, but I am looking for clarity as to what the body is there to do and how it will interact with the Scottish Government.

Craig Hoy: Recommendation 7 deals with how regular contact between sponsorship teams and boards should be. What do you see as an appropriate level of contact and what form would that take? How can we avoid repeats of situations similar to those involving Bòrd na Gàidhlig and the Crofting Commission?

Paul Johnston: We have thought a lot about that issue, and the report is quite helpful because it does not suggest that there should be a one-size-fits-all approach or that a Scottish Government official should sit in on every single board meeting. There must be regular contact and dialogue between the sponsor team and the public body.

The report recognises that there will be occasions on which Scottish Government officials—and, at times, ministers—will attend board meetings. That might happen when the body is looking at its overall strategy and forward plan, but we need to ensure that we have good engagement with, but not interference in, the important role that bodies are set up to carry out.

I welcome the conclusion of the report that sponsorship teams will not routinely attend every meeting, but that, if there are concerns about a body, there could be a point of escalation when it might be appropriate for the sponsor team to be much more present and visible at its meetings. However, there should be clarity as to why that would happen and the duration of it.

There has to be a balance. Undoubtedly, the Scottish Government has been accused of being

too distant when things have gone on in public bodies, and at other times it has been accused of being too interventionist. The report is helpful in giving us some guidance as to the balance.

09:30

Craig Hoy: Is there a risk that you are focusing on the bigger organisations, whereas the examples where the wheels have flown off have involved smaller organisations? Are there particular types of intervention that you should deploy in relation to smaller organisations that may be more reliant on boards rather than on civil service staff?

Paul Johnston: If I can be candid, your observation absolutely resonates with my experience. The times that I have been before your predecessor committee have often been in relation to our smaller bodies, so I do not think that it follows that the amount of effort that the Scottish Government puts in depends on the size of the body. We know that there can be issues if a body does not have sufficient skill and capability to cover the whole range of its functions. That is why some of the recommendations in the report about the need to be quite careful about the creation of further small bodies are useful.

The Convener: I am about to turn to Colin Beattie. Before I do that, I must observe that Mr Johnston has invariably appeared before us or our predecessor committee when things have gone wrong and when section 22 reports have been conducted by the Auditor General. This morning, we are outside the eye of a crisis and are keen to have an evidence session that allows us to understand how things work now. That is why we are interested in hearing more about where things are going right.

Colin Beattie is joining us online.

Colin Beattie (Midlothian North and Musselburgh) (SNP): We are looking at the review in the context of many years of governance failures in various bodies, of which sponsorship was a significant element. That is an area of real concern.

In the area of capacity and capability, I was alarmed that the report highlights that there is a significant churn in staffing, that many staff who are in sponsorship at the moment are inexperienced and that many posts are vacant. Whatever good ideas you have about going forward, until those posts are filled and you have trained people who understand sponsorship and can take part in the governance process of those bodies, you are going nowhere.

The report was written some months ago. What is the position now? How significant a capability challenge do you have at the moment because of the deficiencies that the report highlights?

Paul Johnston: To respond first to what the convener said, I would be delighted to say more about the successes of our public bodies. There are many successes: I have already referred to Social Security Scotland, which is the biggest body within my area. I am proud of the achievements that it is making. It is an example of really robust engagement between the Scottish Government and the body concerned.

To turn to Mr Beattie's question, we have good capacity in place in the Scottish Government team to ensure effective connection and engagement with what is an important new agency in the Scottish public sector landscape.

I recognise the report's point. There has been a great deal of churn in roles during recent years. The Scottish Government has had to pivot enormous resource towards dealing with the Covid-19 pandemic. At times, we have expected staff from right across the organisation to stop doing what they were doing and move into that emergency response. Even this year, we have moved around a significant number of staff to deal with issues such as the cost of living crisis and our response to the war in Ukraine. Both of those issues have required a lot of staff movement in the areas that Mary McAllan and are responsible for.

Nonetheless, we are asking each portfolio to ensure that they have teams in place that can perform the sponsorship roles effectively. Part of what we are doing is offering support and training to sponsorship teams. Some sponsorship teams are new and some have real depth of experience, so there is a mix but, whether the teams are experienced or new, they are availing themselves of the training offer that Catriona Maclean and her team are putting in place.

The committee will be very conscious of the resource constraints that we face in Government and across the public sector at the moment. Therefore, we are also looking at how we ensure that, in portfolios, we have good expertise in sponsorship but, potentially, with fewer people in that role than has been the case in the past. For example, some of my colleagues are looking at whether we can pull together those sponsorship functions into more of a hub model, so that we get deeper expertise in the sponsorship of bodies right across the portfolio.

I hope that that helps with the question, but I acknowledge that ensuring that we have enough people with the right skill and capacity is a challenge.

Colin Beattie: You did not actually answer the question. A year ago, the review highlighted the issues of staff churn, inexperience in sponsorship

work and the fact that many posts were vacant. I asked you what the position is now with regard to that specific situation. It was described in the review as a significant challenge to capability. Has that challenge gone away?

Paul Johnston: There is still a challenge in terms of vacant posts, because there are issues around the affordability of filling every post. That will vary from portfolio to portfolio. In my portfolio, I am content that I have people with the right skill and experience to do the sponsorship role well. I am sorry if my answer was not clear enough. My answer to your question is that it is for us in the central unit to offer support and training, and that is what we are doing, as new people come into the role. Catriona Maclean can say a bit more about that.

Catriona Maclean: With regard to the support and training, we have introduced lunch-and-learn sessions for sponsor teams and we have run eight sessions focusing on different parts of governance and responsibility. On average, about 77 people from different sponsor teams have attended those sessions. Sponsor teams are also able to come along to the accountable officer training events that we run for accountable officers. In addition, we have initiated a sponsorship round table, where sponsor teams can come together to share good practice. We feel that all of those things are supportive of sponsor teams and help them to have better capability and understanding.

As we have been engaged in that overall programme of work this year and have been developing products to support staff, we have been doing so with the sponsor teams—experienced and inexperienced—and our public bodies. That whole process has been really positive in helping people to understand their roles and responsibilities, and that has been a positive outcome of engaging with sponsor teams.

Colin Beattie: If I, simplistically, compared today with a year ago, where would I see improvements?

Paul Johnston: I can point to a number of examples of where you should see improvements. In my area, I point to the strong engagement that sponsor teams have with the bodies in the social justice, housing and local government portfolio. We have seen that endorsed in audit reports, most recently around the performance of Social Security Scotland, because of its engagement with the Scottish Government, its clarity of purpose and its delivery of benefits for people across Scotland. That would not be possible without the really clear and robust sponsor arrangements that are in place between the Scottish Government team and the agency. That is one specific example.

I have already referred to Bòrd na Gàidhlig as another example where improvement was required, and we can now point to clarity in the formal processes and procedures as well as the good relationship between the sponsor team and the body concerned.

Colin Beattie: However, if I tried to quantify the number of posts vacant, the number of staff who were inexperienced in sponsorship and the percentage volume of churn, where would we be today compared to a year ago?

Paul Johnston: I could take that away and try to give the committee more information on it. I do not expect, and I do not think that you would expect, that I will come back and say that we have far more people doing the work because, as ministers set out in the resource spending review earlier this year, we expect that the overall size of the Scottish Government will return to pre-Covid levels and we have expectations about the public sector workforce as a whole. Therefore, I expect that overall numbers will not be more. I am looking for capability and skill to be built and enhanced through the programme of work that we are describing.

Mary McAllan (Scottish Government): It takes time to train people. We cannot do it all at once. However, we are probably four fifths of the way through training the sponsorship teams in the Government in the new methods to which Catriona Maclean referred. We will have to see how effective that is.

Another important thing is happening. As Paul Johnston says, we are and have been in a situation of a lot of flux that has had to be responded to. There have been inexorable requirements. However, I would describe the situation that we are now in not as "static" because that sounds negative but as a return to normality. People are expected to stay in post for a certain length of time. It has to be said that the requirement to move and, therefore, to some extent, the opportunities to move around in Government are less at the moment because we are responding to the fact that we are in a difficult situation in terms of costs, as all the public sector is.

In combination, the training, the greater length of stay in an area and the fact that we are encouraging sponsor teams to reinforce each other—that is the hub process that Paul Johnston described—are all part of the response to the matter but we cannot achieve the goal in a day. We are taking our time to ensure that people get the help that they need to be aware of what they need to be aware of and we are trying to do that as quickly and comprehensively as we can. Some of the background circumstances in the

Government are probably helping us in a way that, in the previous two years, they possibly did not.

Colin Beattie: Recommendation 8 states:

"Portfolio Accountable Officers … should review the capacity and capability needed in their teams to ensure that relationships are being managed well"

and so forth. The Scottish Government agreed that capacity and capability should be reviewed, and the work was scheduled for 2022.

What progress has been made on that? Is there a date attached to the delivery of that work? How far on our way are we with portfolio accountable officers reviewing the capability and capacity that is needed in their teams?

Paul Johnston: I will pick that up. As you say, Mr Beattie, we have identified 2022 as the period for implementation. In the portfolio for which I am responsible, I have done work on capacity and capability with my team and am satisfied that we have the capacity and capability that we require. It is not that staff are not stretched—they are. We will keep that capacity and capability under review in the quarterly formal assurance process meetings to which I referred.

My fellow portfolio accountable officers are doing the same. They have all been asked to complete the initial review of capacity by the end of the year, so I would be happy to follow up with the committee as that is done. Some are considering changing the sponsorship model to more of a hub model rather than individual teams, particularly those who have a number of bodies with related functions. In those circumstances, you can see why, rather than small, disparate teams, a single team that takes sponsorship as a whole might be a good way to go. I am part of discussions at our executive team on the different models that are being considered for sponsorship.

09:45

The Convener: I will just follow up on Colin Beattie's questions. It would be useful for us to understand what the vacancy rate is now and what it was at the time of the report.

I am also interested in the fact that sponsor roles are not seen as "sexy"—somebody says that in the report; I am not sure that it is the view of the report. I am not sure what that means. People in sponsor roles are in bands A to C. The salary range starts off in the low £20,000s in band A, but goes up to about £76,000 in band C. Are you having difficulty in attracting people to the higher-paid posts or to the lower-paid posts? Where is the problem in that spectrum of pay grades?

Paul Johnston: Mary McAllan or Catriona Maclean may want to say more, but I, too, noticed that comment in the report. Certainly, the sponsor

teams that I work with recognise how important that role is. There is no general issue of not being able to get people to fill sponsor team roles.

As Mary McAllan has mentioned, in recent years, a lot of people have moved to what could perhaps be described as emergency areas, whereas part of the sponsor team role is a regular, perhaps more patient, persistent and on-going engagement, to ensure that public bodies are operating effectively and are well run. I cannot speak for whoever made that comment, but perhaps that was the sort of thing that was in their mind.

In my area, I do not see a difficulty with the recruitment of teams into sponsor roles at bands A, B or C. As you will appreciate, a number of roles and responsibilities are relevant to each of those. At band C, I expect to see really active engagement with the senior leadership teams in the public bodies concerned. Those important relationships can help to get the job done.

However, we can respond to the committee with more granular information about where we are at with vacancies.

The Convener: Thanks. That would be helpful.

I move on to another area. A couple of minutes ago, Mr Johnston, you said that fewer people are carrying out the role and that it is about how that workload is managed. However, at the same time, new public bodies are being created.

I am interested in the railways, for example—I refer members to my entry in the register of members' interests. As I understand it, under the structure from 1 April this year, Scottish ministers act through Transport Scotland, which has oversight of Scottish Rail Holdings, which in turn has oversight of ScotRail Trains Limited, and—who knows?—after this weekend, maybe the Caledonian sleeper will be added to that list. How does that relationship work in practice? I know that it is not within your directorate, but I want to understand how the sponsor arrangement operates when a new public body is created.

Paul Johnston: From the outset, when a new public body is created, there should be close engagement between the Scottish Government and that public body. That has been my experience with the bodies that I have had responsibility for in the past, including, most recently, Social Security Scotland, which has been in existence for only a few years. You could expect to see a very close engagement at the outset.

Normally, the Scottish Government officials who have a role in the initial round of recruitment are responsible for drafting a lot of the initial documentation that will govern the relationship between the body and the Scottish Government.

In time, as a body matures and—we would hope—becomes more stable, we get into more of a business-as-usual relationship.

However, on your point about new bodies, I will make two points. First, many of the bodies in the Scottish public sector landscape are put in place by the Parliament. Often, we are responding to what the Parliament has deemed appropriate in the public sector landscape.

Secondly, I welcome recommendations 2 and 3 in the report. I recognise that, ultimately, whether a body is created is a matter for ministers and the Parliament. However, speaking from my experience as an official, it is sensible that there should be a presumption against new small bodies, and a requirement that any new body should involve a full business case and an expectation around shared services. We are working on that at present to ensure that there is a control framework in the Scottish Government, so that when a new body is proposed, a series of checks and tests must be undertaken to ensure that, for example, alternatives have been considered—do we need this body, or could an existing body undertake the functions—and, if it passes that check, whether it has to have its own finance, human resources and information technology services, or whether it could share those with other bodies. In implementing the review, we seek to ensure that there is a greater and more stringent series of requirements before new bodies can be created.

The Convener: It would be interesting to understand the process in relation to the establishment of Scottish Rail Holdings and whether that is classed as a small body. I do not know how many people it directly employs, for example.

There is a tension here, is there not? I picked up something else from reading the report. In paragraph 4.11, an interviewee encapsulated what they thought was necessary, which at first I was quite attracted to, but then I thought about it a bit more and I have another comment on it.

In that paragraph, the interviewee says that it would be useful to set out

"what you can expect from us"

and

"what we expect from you".

I thought that that was a neat encapsulation of the issue, although when I reflected on that a bit more, I thought that it sounded a bit like a master-servant relationship—it did not sound like a partnership of equals.

One thing that we come across in section 22 reports is a blurring, a confusion and an unclear sense of where roles and responsibilities lie. Paragraph 4.4 warns that

"Establishing a separate body and then managing it too closely risks undermining the benefits of separate status."

First, do you agree with that analysis? Secondly, how do you see that in relation not only to Scottish Rail Holdings but to other bodies that are being created to deliver public services under the auspices of the Scottish Government and maybe at the instigation of the Scottish Parliament?

Paul Johnston: I am sorry, but I am not able to provide you with the detail around the establishment of Scottish Rail Holdings. That does not fall within my area, but I am very happy to connect with my director general colleague and ensure that the committee gets further information on that promptly.

I am also interested in paragraph 4.11, and I had highlighted the suggestion that you had highlighted. I thought that it made sense. I went on to highlight, halfway through the paragraph, a comment that gets to the heart of the issue:

"What is important is that officials in SG and each public body have a shared understanding roles and responsibilities."

The report goes on to describe the need for good collaborative work between the Scottish Government and the public body on what that framework document looks like. It should be a collaboration; one should not be more important than the other or be telling the other what to do. There should be clarity on roles and responsibilities.

The report does not say that each framework document must look a certain way and it is not prescriptive about what each paragraph must say; rather, it says that each framework document must be the result of good collaborative engagement, resulting in a crisp and clear description of what the body will do and what the Scottish Government will do. That is what we want to see more consistently across the piece.

The Convener: I will bring Willie Coffey in shortly—I just have a final question first. This might be for Catriona Maclean to answer. To some extent, you described the difference between the public bodies unit and the public bodies hub, which is alluded to in the report and on which there is a related recommendation. Can you comment on where that lies?

I am also interested in understanding this: you described how you are 80 or 90 per cent of the way through training people in sponsor roles in the Scottish Government. To what extent are you involved in the training of the members of those boards, and the people in agencies outwith central Government who are oftentimes involved in

making operational and strategic decisions for the non-departmental public bodies and agencies and so on that they are on the boards of? Will you tell us a bit about the extent to which you have a training programme or have any other interaction with those people?

Catriona Maclean: I will focus on the latter aspect first. We have a governance hub that all board members can access and that has modules on different governance arrangements, strategic decision making, how to manage difficult relationships and issues such as that. We are building on that hub, which is available to all board members and to the senior teams in public bodies.

We also run training courses for new board members; in fact, we did one about four weeks ago. Audit Scotland, the Commissioner for Ethical Standards in Public Life in Scotland and colleagues from the equality unit attend that training event to explain the responsibilities, as does the public bodies unit, which helps people to understand their responsibilities as accountable officers.

We also run accountable officer events, which bring together accountable officers from public bodies. Again, we go through a number of different programmes on that day, where people can access information on a wide range of issues for which they are responsible.

We have to remember that responsibility to ensure that its board members are trained and undergo an assessment of their performance also lies with the body itself. That is also important.

In our board event, we encourage board members to ensure that they ask their body for training and that they are clear about their responsibilities—and, if they are not, to engage with their chair. We also encourage an informal network of buddying for new board members and encourage them to engage with more seasoned members of their own board or other boards so that they have some sort of informal mentoring programme.

That is what we put in place to give training to our board members who are delivering their role in Scotland.

In relation to the public bodies unit, my small central team tends to be a co-ordinating team. We focus on providing advice and support across Government and to public bodies, as I described. However, as Mary McAllan described, we are keen to extend those tendrils to bring in people from across other sponsor teams to share what they have learned, what good practice they have seen and where things have not gone well.

For example, I know that education and justice bring their chief executives together to look at section 22 reports to see where there have been difficulties and how they can learn from those difficulties in a more controlled environment, rather than in the heat of the moment when things have gone wrong.

We were conscious that the Auditor General had said that it was difficult to assess relationships. It is not about when things are going well but about when things are not going well, as that is usually when the stress test occurs. To respond to that, we have created a number of desk-top exercises that we can play out in real time with sponsor teams and the senior teams in public bodies so that they can test how they would respond to a crisis but in a safe environment. So far, we have done that with two public bodies. We have taken feedback on how they found that experience to refine our process and make that available across the DG families more broadly so that they can implement that with their public bodies.

The Convener: Thank you—that is very helpful. I have other questions in my head. However, because of the time constraint that we are under, we could maybe set those out in writing for you to follow up on to get a bit more—as I think that Mr Johnston described it—granular detail on some of those areas. That would be helpful to the committee.

10:00

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning. I welcome Paul Johnston back to the Public Audit Committee—hello again.

I will broaden out the discussion a wee bit and talk about things such as management standards and project management quality standards. The sponsorship arrangements and toolkit—if we can call it that—are crucial and it is important that they are clear. Reference was made in the report to sponsor teams not being seen as "sexy", but somebody also described sponsorship as a "black art". Usually, that tag is used when there is a lack of clarity about any process and only a few people know how things work. Therefore, I am very hopeful that the work that you are doing will make sponsorship less of a black art and much more visible and usable for people.

Alongside the sponsorship toolkit, huge importance is, surely, placed on the public bodies, which spend all the money—£22 billion—that you mentioned at the outset, to embrace recognised quality management standards to deliver the thing that they are trying to do.

Over many years, the committee has seen numerous examples in that regard. I remember i6, Disclosure Scotland, the national health service IT systems and many other IT systems. The common

message and theme for me and other members of this and predecessor committees is the lack of embracement and adoption of recognised management standards. However, there is a success story in Social Security Scotland, which you, quite rightly, mentioned. Could you talk a little more about that important aspect that should enhance and complement the sponsorship toolkit? For me, that is the embracement of management standards within the public bodies that serve Scotland.

Paul Johnston: I absolutely agree that that is vital. Sponsorship should not be something mysterious; it should be about ensuring that there is clarity about what a body is there to do, whether it is delivering and how the body will interact with the Scottish Government. To that extent, it is straightforward, but you are right that that does not quite cover everything.

Like you, time and again, I have seen the crucial need for real rigour, discipline and audit scrutiny, and for expertise to be secured and brought in when public bodies are embarking on major developments, particularly digital developments. Over recent years, successive audit reports has been taken on board, which is ensuring much stronger practice.

As this committee will have heard, we have real clarity as to the gateways that digital developments must go through. We have greater scrutiny and oversight of digital capacity and capability.

I cannot do much better than cite Social Security Scotland in a bit more detail. I was at the agency's offices in Glasgow all day yesterday. I met a number of teams and saw how they are processing adult disability payments now. That huge exercise in agile development has been undertaken over recent years. It has drawn on very significant expertise, to ensure regular scrutiny and oversight, including from auditors. The great thing is that the project is now delivering—the applications are flowing in and they are being processed. That robust underpinning has been absolutely vital. Sponsorship takes us part of the way but, as you pointed out, it does not take us the whole way.

Willie Coffey: Would you say that Scotland's public bodies have a duty to embrace those standards? I do not think that there is a requirement on them to embrace project management quality standards, management frameworks or whatever you want to call them. Should we ask them to embrace those standards? Many do, and some of the smaller organisations probably do not have the capacity to embrace some of those standards, but should we ask them to do so? Should we raise the bar a bit to require public bodies to embrace the standards that I am

talking about? Over the years, my experience has been that, if we do not have those standards in place, there is little chance that we will deliver anything on time or on budget. What is the view on requiring public bodies to embrace those standards?

Paul Johnston: There are a lot of clear expectations on them around the standards that they must adopt. I would always start with the law—in particular, the Public Finance and Accountability (Scotland) Act 2000—and the duties that are placed on accountable officers to ensure, in the first instance, that money is spent in a way that is effective and delivers value for money. The latter aspect is where we can see the need to adopt tried and tested standards that will ensure that every pound spent is spent effectively.

Perhaps Mary McAllan will want to say more on that.

Mary McAllan: I was just going to say that the Scottish public finance manual is the guide book. Clearly, there is a lot of risk and concern when large amounts of money are being invested.

My experience, which until recently has been mainly in the economic space, is that the Treasury models are utilised and the recommended business case processes are followed. They might not be followed for very small investment but that is the expectation for anything significant. On economic bodies, I give the example of Scottish Enterprise, which has its own audit and risk committee and is well set up to manage such projects. I have not had experience of managing IT. However, in general, the whole of government, probably across the United Kingdom, is recognising that we need to move more into a precise management focus when we are dealing with high-risk issues.

Lots of work has been done on project management, improving people's capacity in that respect and training them properly. In my experience, that is the case—at least for large projects, some of which might involve £70 million-odd of investment. I am thinking of the example of the National Manufacturing Institute Scotland, which is a model case that has followed Treasury guidance.

There is good practice out there, but I suppose your question is whether it is consistent. It should be, because the finance manual is there to guide people on how they should approach such matters. I go back to Paul Johnston's point about portfolio accountable officers, the relationship with the chair of the body concerned and ensuring that those processes are being seen through.

Willie Coffey: Even the most optimistic of us would not say that the committee is unlikely to see another example of a project that has gone wrong.

Usually, when the committee or the Auditor General opens the lid and looks in not only will sponsorship arrangements be pointed at but quality standards management arrangements will be seen to be lacking.

I would like an assurance that, going forward, the discussion that we have had, and the other suggestion that I put to you on project management, will be embedded into the thinking of all organisations. I say that in the hope that we will not see a regular recurrence and a procession of organisations that have not embraced such standards and processes coming before us. What assurance can you offer the committee that progress is being made towards that aim?

Paul Johnston: I would be happy to take that one away and work with my colleagues who are portfolio accountable officers. I do not want to make a commitment that I cannot follow through absolutely. I would also want to see precision about what we could commit to on standards that would be appropriate across the whole range of bodies. If I may, I will take that question away and respond more formally on what we would be able to commit to.

Willie Coffey: Good. Thank you.

The Convener: Finally, we turn to questions from the committee's deputy convener, Sharon Dowey.

Sharon Dowey (South Scotland) (Con): Good morning. Recommendation 13 states that the

"Public Bodies Unit should ensure that coaching and/or mentoring support is offered to the chief executive of every public body, particularly newly-appointed chief executives and those facing challenging situations or intense scrutiny."

In its response, the Scottish Government indicates that it will increase the support that is provided to chief executives as accountable officers, including by developing a coaching and mentoring system. Will you provide an update on the progress of that work?

Paul Johnston: I am glad that you have mentioned that one, because I was struck by what the report said about the profound mental health impact that some issues in public bodies can have on those who are involved in such roles. We recognise the duty that we have to do all that we can to provide support.

Catriona Maclean has referred to many aspects of the support offer, which includes an offer of peer mentoring, but she might like to say a bit more about that.

Catriona Maclean: It is right that the accountable officer training gives not only technical training but mentoring support for individuals who choose to avail themselves of it. We also have the Scottish Leaders Forum, which

provides support in that space as well. There is a new programme of work for the forum, which accountable officers and newly appointed chief executives would be able to access.

My unit also provides bespoke training, if individual chief executives require that. We do that informally in discussion with the sponsor teams. A key element is that anyone who is newly appointed to the role of chief executive could expect and would receive support from their portfolio accountable officer, who would ask them what level of support and assistance they require and would guide them towards their chair to ensure that there is a good understanding between chair and chief executive of what support is needed to ensure that the newly appointed person is able to get up to speed as quickly as possible and feel supported to undertake their role.

Sharon Dowey: So they are all fully aware of what help and support is available.

Catriona Maclean: Absolutely.

Sharon Dowey: The final recommendation—recommendation 14—states:

"Identify two experienced team leaders with a good understanding of public body governance issues to take up post in the Public Bodies Unit ... and review what additional staffing would be required to create a Public Bodies Hub to coordinate improvement work on sponsorship and Ministerial appointments and provide a first point of contact to sponsor teams on all public body issues."

In its response, the Scottish Government said that it recognised the need to resource the delivery of the recommendations from the review and that it would decide how best to address that recommendation, given the current challenging fiscal environment.

What progress has been made on appointing two experienced team leaders to the public bodies unit to provide additional capacity for development, support and challenge, and on the review of the level of additional staffing that would be required for the creation of a public bodies hub?

Paul Johnston: I recognise that resourcing continues to be very constrained, but we have tried to give priority to that work, because we recognise the importance of the theme that we are dealing with. Catriona Maclean can give us some specifics on what the resourcing looks like just now.

Catriona Maclean: We have had an uplift in resourcing within the public bodies unit, which has been helpful and welcomed. We are focusing on the development of the hub in this final quarter. As we said at the start of the process, it is a year-long programme of work.

In this final quarter, we have identified people who have experience across Government and are experienced in sponsorship. Our aim is to draw them together. Ideally, what we would like to have is almost a rapid response team that would be available when issues emerged. To go back to the capability issue, other sponsor teams could call on that team when they faced something with which they were not familiar and ask whether anyone had any experience. That team would become almost a first point of contact or a rapid response team.

We will be focusing on that in this last quarter; we are at the beginning of a process on that. Part of this year has been about developing products and processes, and a lot of next year will be about ensuring that those continue to be embedded into the system, but having the formal accountability process in place is a significant change in how sponsorship is assessed.

10:15

To answer Mr Coffey's point, we are considering how we measure success. The issue will always be that, where relationships form part of a process, there will be unpredictable or unplanned events—things that we will not be able to anticipate. We are trying to get upstream of those, in order to reduce their frequency and seriousness. In some respects, you will, I hope, see less of that in the public space. Much of my work requires things to be done behind the scenes, so that people do not end up in front of the committee. That is a huge ambition. It is not a one-off but a continuous process. People, circumstances and risks will change, so we must always keep moving forward.

Sharon Dowey: You said that there has been an uplift in staff. Are you fully manned in that area? Do you have the two team leaders in place?

Catriona Maclean: We have dealt with that in a slightly different way. We have augmented the team at band C level. We have two team leaders in place, but we have also looked at the skills and attributes of the team and allocated work in a way that plays to the strengths of its members. That is why I feel confident that we will deliver all the recommendations by the end of the year, as the permanent secretary assured the committee that we would when he appeared here.

Sharon Dowey: For how long have the team leaders been in position?

Catriona Maclean: One has been in position for a considerable period; the other has been acting in that position since April or May and has been formally recognised over the past six weeks.

Sharon Dowey: My concern is about whether the deadline will be hit. Recommendations 1, 2, 3, 4, 5, 9, 12, 13 and 14—nine of the 14 recommendations—mention that support will be needed from the public bodies unit. How confident are you that you will hit your target of meeting all the recommendations by the end of the year, given that it seems that recommendation 14 is key but has not yet been tied down?

Catriona Maclean: As I have just said, I am confident that we will meet our targets by the end of the calendar year.

Sharon Dowey: By the end of 2022?

Catriona Maclean: Yes.

Sharon Dowey: Okay. Thank you.

The Convener: In the end, the test will be how many section 22 reports are brought before us by the Auditor General and whether Mr Johnston has to come before us to defend a situation that arises from failed sponsor arrangements. We have found it really enlightening to hear about the work that is being done to prevent recurrences of those. What I take from the evidence that we have heard is that you are looking in detail at instances in which things have gone wrong to learn lessons from that and to build those lessons into the training that you give to the people who are responsible for ensuring good relationships between sponsor departments and public agencies, non-departmental public bodies and so on.

We are out of time. We would like to follow up on some areas to get more information from you. You have not withheld anything from us; it is just that we have run out of time to get some of the detail that we are looking for.

I thank Paul Johnston, Catriona Maclean and Mary McAllan for their evidence. I suspend the meeting to allow for a changeover of witnesses.

10:18

Meeting suspended.

10:22

On resuming—

"Tackling child poverty"

The Convener: Welcome back. In this session, we will take evidence on the Auditor General's briefing paper on tackling child poverty in Scotland, which came out on 22 September—so, by our standards, it is relatively hot off the press.

I am pleased that the Auditor General is joined by, from Audit Scotland, Tricia Meldrum, senior manager, and Corrinne Forsyth, senior auditor, performance audit and best value; and I am particularly pleased to welcome Andrew Burns, who is here as a member of the Accounts Commission, because the report was jointly produced by Audit Scotland and the Accounts Commission. Andrew, we are delighted that you are able to join us.

I turn first to the Auditor General for an introductory statement, after which we will ask a number of questions.

Stephen Boyle (Auditor General for Scotland): Good morning. As you know, convener, the paper on tackling child poverty in Scotland has been prepared jointly by Audit Scotland, on behalf of me, and the Accounts Commission.

Poverty affects every aspect of a child's wellbeing and life chances and has wider implications for society. Children who live in poverty are more likely to have mental health challenges, to gain fewer qualifications at school and to experience stigma, and they are at a higher risk of being care experienced. Ideally, as a society, we want to prevent children from experiencing poverty in the first place.

The latest data from 2019-20 reports that 26 per cent of children in Scotland—260,000 children— were living in relative poverty. That is higher than when, through the Child Poverty (Scotland) Act 2017, the Scottish Parliament set ambitious targets to reduce child poverty to 18 per cent by 2023-24, and to 10 per cent by 2030-31.

We do not know whether levels of child poverty increased or decreased in 2020-21, because of issues with data collection during the pandemic. The on-going cost of living challenges are likely to push more children and their families into poverty.

As well as looking at the impact of poverty on children's lives, the briefing paper focuses on what the Scottish Government, local government and others are doing to reduce and prevent child poverty.

To reach the targets to reduce child poverty, the Scottish Government set out actions in two four-year delivery plans. The first delivery plan ran from 2018 to 2022; the second runs from 2022 to 2026. It is not possible to assess the success of the Scottish Government's first four-year plan, because it did not set out what impact the plan was expected to have on levels of child poverty. The Scottish Government's second child poverty delivery plan, which was published in March this year, sets out a more joined-up approach with local government and other public bodies, the third sector and the private sector. It includes more information on what impacts the Scottish Government expects policies such as the Scottish child payment to have on the targets to reduce child poverty, but it lacks detail on how and when some of the actions will be delivered.

The Scottish Government has not yet shown a clear shift to preventing child poverty. Actions are more focused on helping children out of poverty and reducing its impact than on long-term measures to prevent it. However, the second delivery plan and some of the Scottish Government's broader actions include some steps towards a more preventative approach.

We have recommended that the Scottish Government, councils and their partners urgently develop the detail of how they will implement the actions in the new delivery plan and monitor its impact. We have also recommended that they work meaningfully with children and families with lived experience of poverty as they do that.

Finally, our paper highlights the need to quickly progress planning to meet the third set of child poverty targets by 2030-31, given the length of time that it can take for some of the measures to take effect.

Audit Scotland plans to carry out more work in the future to look at the progress and impact of the plans to reduce child poverty.

As always, my colleagues and I look forward to answering the committee's questions. Like the convener, I am delighted that we are joined by Andrew Burns from the Accounts Commission to help us to do that.

The Convener: Thank you very much.

I remind people that Colin Beattie is with us, but is joining us remotely.

You have outlined some of the key messages in the report, some of which are quite startling—from gaps in data to your assessment that

"It is not possible to assess the success of the ... first four-year plan"

and that there has not been a demonstrable

"clear shift to preventing child poverty."

Those are quite important messages and, as you have set out, there are areas in which you are keen that improvements be made.

You finished by explaining that you plan to carry out more work. Will you elaborate on that a little? What further work is already in train or is likely? Will you tell us a little about the timetable that you have set yourself for that?

Stephen Boyle: Yes, I am happy to do so.

As you have said, there are a number of themes that the committee is interested in, which I am delighted to elaborate on.

We intend to carry out more work on child poverty. The paper is a briefing paper. We use a range of audit outputs including online publications, briefing papers and full performance audits. The briefing paper is distinct from a performance audit report, in that we did not make judgments in it, which we do in a performance audit report.

That is where we intend to go next: to make a more formal assessment of progress against the respective delivery plans. We have not yet set a definitive timescale for that. Given the progress and where the Government and its partners are with the second delivery plan, the availability of data will be key to making an assessment.

Broadly speaking—colleagues can keep me right on this—there is about a one-year time lag on data availability from the end of each year. We will take a view on the quality of the data and the timescales before we define when we will next prepare a report.

A couple of other reports are already in train on behalf of the Accounts Commission and me that will inform progress against some of the wider measures. Next year, we will produce performance audit reports on the Government's progress on early learning and childcare expansion, and on adult mental health arrangements. Both reports will inform our future work on child poverty arrangements. We anticipate that that will be within the next couple of years. Data and its quality will shape the specifics.

The Convener: Thanks. You mentioned at one point that Covid has had an effect, which we fully appreciate. However, the committee also wants to understand whether the foundations are in place to deliver the data, notwithstanding external factors.

10:30

We are interested to hear your views on the robustness of the data and on the time lag, because—I presume—that makes it exceptionally difficult for policy makers to base their decisions on current evidence. Parliament has legislated for statutory targets to be met, but if there is no data to understand what progress is being made or what regress is taking place, that makes it pretty hard to give any meaning to the targets that have been set.

Your briefing mentions that new data on levels of child poverty in 2020-21 are expected in 2023. Have you any expectation that that data will be more robust? Will it be better? Will it address the deficiencies that you outlined in the briefing? I am happy for you to bring in the other members of your team, as needed.

Stephen Boyle: Thanks, convener. I will bring in Corrinne Forsyth first on data quality. I am sure that Andrew Burns and Tricia Meldrum will also want to comment on some points.

I recognise the point that you make. As the committee knows from the discussion that you have just had and from many of the audit reports that we produce, that the theme of high-quality data is built into policy development implementation right from the start. Regrettably, we did not see that for the first delivery plan on child poverty. We might well expect that many of the actions that were taken would have a positive bearing on reducing child poverty, but it is not possible to track that with adequate evidence.

That leads us to one of the key planks of today's report about the third child poverty reduction plan, which is that such data is a key component of the plan. The Government and its partners set out very clearly what individual components would reduce child poverty and by how much. That supports policy makers and, as you said, it supports scrutiny of progress. From looking at the scale of ambition that is set out in the plan, I think that there is a long way to go.

You are right that there is a time lag in the data. The Government's assessment of the data's quality is that, as a result of the pandemic, it was not robust enough to publish and rely on. Corrinne Forsyth can share a bit more about the data and how it is prepared.

Corrinne Forsyth (Audit Scotland): As Stephen Boyle has said, the data on the interim targets for child poverty in 2023-24 will not be published until March 2025. In its second delivery plan, the Scottish Government sets out in an annex that it is frustrated by the time lag that you mentioned, convener. As you said, that time lag impacts on policy makers in terms of how they can respond.

For 2020-21, the data for the main child poverty targets comes from the family resources survey, which is a United Kingdom-wide survey. Data was published at UK level. However, because of sample sizes it was decided that, at Scotland

level, the sample—particularly in relation to families—was too small to make it particularly reliable.

It is interesting that at UK level—this is reflected in the Scotland figures, even though there were warnings about using them—the data shows that levels of child poverty fell during 2020-21. However, that was seen by commentators as an artificial fall that was a result of the universal credit uplift that was later reversed. There was a fall in median incomes too, which had an impact on reducing the level. Therefore, it is seen as an artificial fall.

The 2023-24 data will not be published until 2025. In terms of robustness, it is a very big UK survey and there is lots of data validation. At that national level, there is a lot of confidence that the information that will come out will be robust in 2025. However, there is the issue of the time lag.

There are other issues with data that sit behind that, but we are confident that the data relating to the four targets for child poverty are robust, if not overly timely.

The Convener: Okay. Thanks.

I want to pick up on the last point and will bring in Andrew Burns to answer. There are four indicators, and the report calls for consistency in their application and use. Perhaps that suggests that, currently, they are not used consistently. For example, I do not know whether some local authorities, with health boards, rely on only one or two of the indicators and not on all four. There might be reasons for that. The committee is interested to understand whether your calling for consistency of application of the suite of indicators at Scottish Government and local government levels implies that that is not happening at the moment.

The Auditor General can start; maybe Andrew Burns can then come in.

Stephen Boyle: Yes, that is essentially the judgment that we made in the report. Given the environment that we are currently in, there is some contextual information to give. Not all the indicators reflect the cost of living challenges. In particular, the most commonly used indicator of relative child poverty is based on household income. It refers to 60 per cent of average, or median, income. That does not take account of individual households' costs. Inflation rates apply differently in their effect on different people in society, so an overriding measure of relative child poverty might not be all that helpful in the current circumstances.

I suppose that it is about consistency of application and picking the right indicator to best describe the circumstances that children and

young people face on a day-to-day basis. We have recommended to the Scottish Government and to public bodies across the piece that they do that consistently and pick the indicator that matters most in the circumstances that we are in. I am keen to see that happen, as a follow-through from the paper.

The Convener: We are living in times that are quite different even from those in 2017, when the legislation was drafted.

Andrew Burns (Accounts Commission): I welcome the committee's willingness to see both the Auditor General and the Accounts Commission as part of its work on looking at the joint report on child poverty. I am pleased to be here representing the Accounts Commission and hope that I can help to amplify some of the key messages, as they relate to local government.

I will come directly to your point. You have been pressing us on data, and you have touched on something that is crucial. In the evidence in the briefing paper, two of the three key barriers that currently affect local government in addressing child poverty relate to data. The Auditor General has touched on gaps in data; the other issue is data sharing—or, in many cases, the lack of effective data sharing. I will give one example to illustrate that, which might help to further the discussion.

Members are probably aware that all councils and health boards must produce an annual joint local child poverty action report. All 32 local authorities produce one, but there is no national collation or systematic overview of the 32 local government reports, in one place. That came out in the evidence that we gathered for the briefing. There is quite a significant lack of data sharing among local authorities. As the Auditor General and others have hinted, the evidence clearly indicates that attempts to reduce child poverty could be improved by things such as improved data sharing at that level across all 32 local authorities.

Some of the child poverty action reports are signed off by chief executives at local authority level. Obviously, that is to be welcomed, but some of the reports are not signed off by very senior officers. I do not mean that in a demeaning way. There is a lack of consistency as well as a lack of sharing across local government and, therefore, across the whole nation.

The Convener: That is helpful. We will come to questions on the local government and health board data collection and reporting mechanism. At this point, Sharon Dowey has a few questions to put to you.

Sharon Dowey: Section 2 of the briefing paper says:

"There has not been a sufficient shift to prevention to reduce the disadvantage caused by child poverty".

You mentioned that in your opening statement, too. Do you have a view on what types of preventative action would be helpful to improve outcomes in the longer term?

Stephen Boyle: We make a broad statement in the report that most of the actions are designed to lift children and young people out of poverty. Clearly, we are not questioning the appropriateness of that—if interventions are required, we expect public bodies to implement them. There is also something about the preventative approach, which ensures that children and young people do not experience the scarring nature of poverty in the first place. I spoke in my introductory remarks about the impact that that has on their life chances, and the generational impact of poverty. Because of that, we are looking to public bodies and policy makers to place additional emphasis on the preventative measures and investment that can reduce the number of children and young people who experience poverty.

Tricia Meldrum might want to say a bit more about the example that we touch on in the report, which concerns the Government's early learning and childcare intervention. That has a bearing on the experience that children and young people have in their early years, but it also has a bearing on the ability of their parents to access work. The policy has a long-term preventative nature, because it results in children and young people having better experiences in school and nursery, which means they are better able to obtain qualifications and, ultimately, better-paid employment.

We have to look a bit deeper for other long-term examples—affordable housing would be one of those. The balance is what is important. In order to stop child poverty, we are looking for greater emphasis, on the part of public bodies and policy makers, on investment in preventative measures rather than on interventionist measures.

I will let Tricia Meldrum and Andrew Burns say a bit more on the subject.

Tricia Meldrum (Audit Scotland): We have highlighted early learning and childcare as an example of a policy that has worked on multiple levels, when it does what it is intended to do. First, it supports children through their early years, as they start school. There is a lot of evidence about the difference that can be made if we level the field when children enter primary school. That approach is designed to have results in the longer term, with regard to improving the outcomes for those children and, when they become parents, their children. The policy also has shorter-term

aims around supporting families and parents into employment or training.

As the Auditor General mentioned, we are doing audit work on early learning and childcare, which we will publish next year. That will not look at the impact of the expansion to 1,140 hours on those outcomes, because it is too early to say what that is. We plan to do further audit work down the line, when there is better information that will enable us to see whether the policy has achieved its ambitions in terms of the longer-term preventative approach.

We have also referred to things such as the Scottish attainment challenge, in respect of school education. It, too, is supposed to level the playing field and close the attainment gap, which is intended to improve longer-term outcomes for children and young people as they move into employment and become parents.

A number of policies are intended to make a difference in the longer term but, at the moment, the focus is very much on mitigating and supporting and not so much on ensuring that children never experience poverty and the damaging effect that it will have on their life chances.

10:45

Andrew Burns: I will amplify how some of those points relate specifically to local government. The Auditor General and Tricia Meldrum referred to the admirable effort across local government and national Government to help people out of poverty, but said that there is less focus on preventing people from getting into poverty. That is an easy thing to suggest, but it is a difficult thing to tackle.

I will give a few local examples. Local authorities have five or six key areas in which they can assist with prevention quite significantly. I will go through them in no particular order. The first is support for parents into employment and work. Councils can have a significant role in that arena. All the evidence that we have gathered indicates that ensuring that parents or carers have consistent paid employment is the most significant way of preventing poverty, and not just of helping people out of poverty.

The second thing that I will highlight is housing. Everybody on the committee will be aware that local authorities have a key role to play in providing affordable housing.

On education, local authorities have a key role in minimising the cost of the school day through, for example, administering the school clothing grant and the free school meals scheme.

Childcare is another area. Policy is set at the national level, but is delivered at the local level, and local authorities provide funding for early learning and childcare places at the local level. That can greatly assist with prevention, as well as help to lift people out of poverty.

Transport is often the Cinderella of this clutch of areas. Implementation of free bus travel and ensuring that there is transport so that people can get to well-paid employment is significant and is a responsibility of local authorities.

The final area is welfare support. Increasingly, local authorities have a key role in administering financial insecurity and hardship funding.

All those areas can be crucial in assisting prevention, as opposed to lifting people out of poverty—although their role in that is to be welcomed. As the Auditor General and Tricia Meldrum said, it would be preferable by far if prevention could be baked into policy making right from the get-go.

Sharon Dowey: You pre-empted my next question, which was going to be on publishing further work on the impact of the expansion of funded early learning and childcare and the timetable for that. Are you expecting to publish that next year?

Stephen Boyle: Yes, that is correct. We are finalising the timetable, but we are anticipating publishing that at the end of May or beginning of June 2023.

Sharon Dowey: The briefing paper suggests that the Scottish Government did not follow advice from the Poverty and Inequality Commission to ensure that its actions were more clearly linked to targets for reducing child poverty and to be clear about what the impact of each action was expected to be. The paper goes on to state that, because the Scottish Government did not set out what impact the child poverty delivery plan was expected to have, it was not possible to make a proper evaluation of whether the plan delivered its aims. Why did the Scottish Government not act on the commission's advice and why did it not take steps to ensure that the impact of the plan on child poverty could be properly assessed?

Stephen Boyle: You are right in your description that the Government's advisers—the Poverty and Inequality Commission—raised concerns about the read-across from the various steps to the impact that they would have. I will invite colleagues to say whether they have any additional insight as to why the Government chose not to act on that.

Before doing so, I would say that there has been a recognition of progress since the first delivery plan and the second one. The clear recommendation is that the intended outcomes of individual steps should absolutely be part of the third delivery plan, so that policy makers and those scrutinising the plan's success have access to them. The main thrust of the briefing paper is that it should be absolutely clear what is intended from individual steps.

If colleagues have any further insight, they can help me out.

Tricia Meldrum: I will not say anything in relation to why the Scottish Government did not do that—that would be more of a question for the Scottish Government—but, as the Auditor General alluded to, we have certainly seen things move on quite a lot in relation to the second plan.

One of the key differences with that is the Scottish Government's modelling to look at the cumulative impact of the different actions that it was proposing to take, particularly those in relation to the Scottish child payment, other social security payments and employability. Consequently, the Government has been much clearer about the anticipated impact on levels of relative and absolute child poverty of those actions. The modelling indicates that it anticipates achieving the target for relative child poverty but not for absolute child poverty, so there is still a gap. As we have said, the latter measure better picks up the impact of cost of living pressures that we are seeing more of now.

We have also said in the briefing paper that more work needs to be done around the second delivery plan. The impact that many of the actions are supposed to have is clearer, but there is still work to be done around some of the other actions, as it is not clear how they are intended to impact on child poverty levels. For example, it has not really been set out how some of the housing actions will be targeted or how they will impact on child poverty. We recommend that that further work be done quickly, because the Government needs to get moving to deliver those actions.

The Convener: Thank you. I want to give Willie Coffey the opportunity to put his questions to the witnesses now. I will then bring in Colin Beattie.

Willie Coffey: Thank you very much, convener. I want to ask the Auditor General a question arising from page 3 of the briefing paper, which says:

"The key policy actions to reduce child poverty in Scotland rest with the UK Government, the Scottish Government",

councils and partners and so on.

It is perhaps appropriate to be putting this question to you on the anniversary of the removal of universal credit uplift. Do you feel that you cannot scrutinise, assess or examine the impacts

that some of the UK Government's measures might be having on overall child poverty levels? I am sure that the committee is interested in gaining the widest picture possible as regards the key influencers on this topic. Will you say a bit about where you see your role being and whether you are able to look at and scrutinise that side of the process?

Stephen Boyle: I am happy to do that. I suspect that Andrew Burns will want to say a bit more about the role of local authorities and their contribution.

It is the case that, as we set out in key message 3, the levers to reduce child poverty in Scotland rest with the UK Government, the Scottish Government and other public bodies, principally local authorities. We have not undertaken an assessment of the impact of changes to universal credit in Scotland. To an extent, we do not have the powers or authority to do that; our audit responsibilities, which I share with the Accounts Commission, cover public bodies in Scotland.

The data for making the assessment is not necessarily about one policy change at a point in time. As Corrinne Forsyth has mentioned, the survey material is the primary assessment methodology for forming a view about the number of children and young people who are experiencing poverty in Scotland. Therefore, there will be a flow-through of changes to one policy. There are time lags, which we have already discussed this morning. However, we have not undertaken an assessment on the changes of an individual policy on universal credit for those very reasons.

However, we have undertaken assessments of other components. This morning, you have already heard about Social Security Scotland. We make assessments of some of the changes to devolved benefits in Scotland. Before Parliament's summer recess, we reported on the progress that Social Security Scotland is making on the roll-out of its benefits. Mr Coffey and other committee members will recall that one of the key findings from that report is the need for, as the programme of devolved benefits in Scotland rolls out, evaluation at the heart of the Government's approach to assessing the success of that policy. It clearly matters that that is connected into the progress on child poverty reduction targets.

That was a fairly long answer, Mr Coffey. In short, there are, I suppose, boundaries to our responsibilities in this regard, but there will be data supporting the overall impact of all this, albeit with some time lag.

If you are content, I will pause there and let Andrew Burns come in.

Andrew Burns: I cannot speak any further to the issues that the Auditor General has addressed with regard to UK Government funding, but your question gives me a chance to focus on the third of the three key barriers that I mentioned in response to the convener. As I have said, two key barriers are lack of data sharing and data gaps, but the third, which I did not get a chance to reference at the time but which, prompted by your question, I can highlight now, is ring fencing. Ring fencing can be seen as a way of providing funding to multiple small pots, but, from the viewpoint of local government, it can also be seen as a barrier to reducing child poverty.

This is an issue that can be developed in the relationship between the Scottish Government and local government. Ring fencing funding clearly supports the delivery of Scottish Government policies such as early learning and childcare, but it can also remove local discretion as well as discretion over some aspects of how the total funding that is available to councils can be used. Moreover, having small pots of funding can make it much more challenging for families and those helping them to access funding and get all the help that is available. It might be worth the committee looking a bit more at that third key barrier of ring fencing, and we will certainly be looking at it in the additional work that the Auditor General referred to in his opening comments.

Willie Coffey: Thank you very much for those responses.

The briefing that Stephen Boyle has referred to talks about the Scottish Government increasing

"the focus on policies aimed at preventing children from experiencing poverty"

and mentions that increasing the Scottish child payment to £25 a week per child could—we hope—reduce poverty "by five percentage points". However, there is commentary all through the briefing about our not meeting the child poverty target and being 1 per cent short or whatever. How do we know that the ability to reach these targets is not also being driven by the negative impact of, say, the withdrawal of universal credit in certain circumstances? Who is assessing the impact of that? As we know, it has directly affected 350,000 households. How do we get a balanced picture to ensure that we know that all these influences are having an impact?

Stephen Boyle: You are right, Mr Coffey. As we have set out in the briefing—and in response to your first question—the actions of the UK Government, the Scottish Government and other public bodies as well as the wider economic circumstances that people are facing will all influence the progress towards meeting these ambitious child poverty reduction targets. As I

think the convener has mentioned, some of the targets were set in 2017, when some of the factors that we as a society are currently facing could not have been envisaged. Whether it be the pandemic, the current cost of living or the war in Ukraine, such factors will have a bearing on household finances, inflation rates and so forth. The Scottish Government's intervention in the form of the Scottish child payment would, had it not been for such factors, have been expected to reduce child poverty, but it is now being offset by the negative impact of some of these factors.

What we are trying not to do in this briefing paper is to say that all progress is attributable to the Scottish Government; the landscape is complex and multifaceted. As we move into the next delivery plan, we come back to our recommendation that the Government and its partners be clear about the intended impact of individual measures over the course of the next delivery plan period and, allowing for the complexity of other environmental factors, make as best it can a judgment about the impact of this or that measure on the child poverty reduction targets.

Willie Coffey: Thank you very much for that.

If it is okay, convener, I have two more questions that I will just roll into one. They are probably for Andrew Burns. First, what evidence base do councils actually need in their work with partners in the third sector to help them reach a conclusion as to whether any of this is having the positive impact that we hope it is having?

That leads me to my other question, which is about how we gather solid, quality data. What do we need to have that we perhaps do not have, which would enable us to answer those questions at future meetings of this committee?

11:00

Andrew Burns: Regrettably, despite all the efforts of local and national Government, the figures are increasing, as has already been alluded to, and the current relative poverty rate is sitting at 26 per cent for 2019-20 compared with 24 per cent a few years ago. It is deeply regrettable that the level is higher, despite all the efforts that have been made. As the Auditor General said, it would be worse if it were not for the actions that local and national Government are taking.

The key data source that local government depends on at the moment, I understand, is the Improvement Service local government benchmarking framework. That suffers from exactly the point that the Auditor General made in his opening statement in that, as with many of the data sets, there is a time lag—I think that I am

right in saying that it is a time lag of 12 to 24 months. Colleagues might want to amplify some of my response.

I am afraid that I do not have an easy answer to the point that you have raised, because it is a challenge to find timely data that does not have that lag, whether it is at a local or a national level.

Willie Coffey: I do not think that we will ever get rid of the time lag issue, but is there any missing qualitative or quantitative data that we should be gathering?

Tricia Meldrum: One of the specific points that we raise in the report is about the six priority groups that the Scottish Government has identified as being most at risk of children experiencing poverty. Some people fall into more than one of those groups, which multiplies both the risk and the potential negative impact of poverty. However, there is very little data to enable us to understand how many people fall into more than one of those groups and what the experience of those families and children is actually like. That data does not really exist. The Scottish Government is looking at extending the size of the sample, so that it can start to get into more and more sub-group analysis. We are still waiting to see whether that happens.

One way in which the Scottish Government can try to get a better handle on that particular gap is by talking to the children and families in a proper, meaningful way. There needs to be engagement, with meaningful input from the children and families who have had experience of poverty. What does it feel like? What works and what does not? They are best placed to understand what that experience is like, what would make a difference and what does not make a difference.

We have therefore recommended that, as the Scottish Government, councils and their partners work through the detail of delivering some of those actions, they should be doing that very much in partnership with the children and families and that the children and families are involved in the monitoring and the assessment of whether those actions are making a difference. I would highlight that as being one of the tangible gaps where something can be done to help to address it.

Willie Coffey: That is very helpful. Thank you very much to everybody.

The Convener: We now go to questions from Colin Beattie, who joins us remotely.

Colin Beattie: Good morning, Auditor General. I will be looking at spending, but I have a couple of points to make before that.

Obviously, it is really important to know that the correct resources are being directed towards reducing—and, we hope, eventually eliminating—

child poverty. However, as my colleague Willie Coffey said, there is no knowledge, really, about what the impact of UK Government decisions has been. I do not know how we can get hold of that information or how we ensure that the Scottish Government is working in tandem, so to speak, with the UK Government's initiatives—they are very varied.

The Auditor General has made it very clear that the paper is a briefing and that some of the sources that were used are different from what his normal investigation and audit work would pick up. To what extent does that impact on the quality of the data that you received? Can we rely on that data?

Stephen Boyle: Good morning, Mr Beattie. Thank you for your questions.

On the impact of UK Government decisions, as Mr Coffey mentioned, there are many variables that will influence progress towards the child poverty reduction targets. Our briefing seeks to emphasise that, regardless of what decisions or steps were taken previously, as we move into the third delivery plan, understanding those variables is integral to the intended measurement of and long-term planning for the outcomes that will come out of the plan.

The Scottish child payment will be one factor. As with the Scottish Government, there are other measures through which the UK Government will have an influence, whether positive or negative. It is a case of trying to enable a more segmental understanding of the different drivers behind the reduction targets.

On your second question, through a briefing paper as distinct from a performance audit report, we seek to signal in more general terms the issues that public bodies face. Does that influence the quality of the data that we receive? I do not think that it does. The evidence that we have drawn on for the briefing is publicly available through the survey. As we have mentioned, we intend to undertake further audit work at a point that is yet to be determined. We always make the point about the need for high-quality data. That shapes our ability to make audit judgments, and it shapes the ability of policy makers and scrutineers such as members of the committee to take a view on the quality of the steps that are being taken through the child poverty reduction policies.

We are keeping under review the issue of when it will be best to undertake that further audit work, but we think that the briefing is a complementary introductory piece of work, which will be supported by further performance audit evidence-based work in the years to come.

I hope that that is helpful, and that it answers your question.

Colin Beattie: It is helpful. Paragraphs 59 to 62 of the briefing paper outline that it is not always clear how the £3.3 billion was spent on tackling child poverty between 2018-19 and 2021-22. The briefing recommends that

"The Scottish Government should consider how to develop its understanding of the reach of universal spending and the extent to which low-income households are benefiting."

To what extent is it a cause for concern that £3.3 billion has been spent on tackling child poverty, yet it is not entirely clear how that spending has impacted on child poverty outcomes? The Scottish Government has mentioned that it has mitigated a possible increase in child poverty, but we would like to see the trajectory on child poverty go the other way.

Stephen Boyle: You are right. In section 3 of the briefing paper, we set out the scale of spending of £3.3 billion and our judgment that it is not always clear what impact that has had on child poverty. That is a significant finding.

In our audit work, and in the work of this committee and other committees in the Parliament, emphasis is placed on the importance of having a much clearer relationship between public spending and not just outputs, but the outcomes that have been delivered as a result of that spending.

In paragraph 61, we seek to give a bit of additional context to what some of the £3.3 billion has been spent on. Of course, some of it has gone towards the Scottish child payment, support for low-income households and Covid funding. However, it is harder to make a judgment about how successful that spending has been in delivering better outcomes or reducing child poverty.

As Mr Coffey mentioned, the Scottish child payment is expected to bring about a 5 per cent reduction in child poverty. More generally, however, achieving that will be challenging, which takes us back to one of the original judgments in the report—that, as we move into the third child poverty reduction plan, we need to have clear expectations about what effect individual measures will have on the overall targets.

I will pause there, as I think that Corrinne Forsyth may wish to say a bit more about the spending and the associated analysis that sits behind it.

Corrinne Forsyth: One of the key things that we found when looking at the spending was the inability to see what proportion of spend on universal policies such as early learning and childcare and free school meals for primaries 1 to 5 benefited low income households. That big missing bit meant that we could not come up with a definitive figure for what was spent on child

poverty, above the £3.3 billion. Obviously, a large part of early learning and childcare spend, which is for everyone, will be directed to low income households.

We also tried to consider the three levers of tackling child poverty—income from employment, income from benefits, and cost of living—to see what the Scottish Government had spent on those three areas. For reasons that we have described in relation to prevention, it was difficult to see what had been spent on some areas. Early learning and childcare, for example, can be cut in different ways, which meant that it was quite difficult to come up with a definitive figure. When we do our work in future, we can perhaps drill down into that in a bit more detail.

Colin Beattie: Is it possible to extrapolate a certain reduction in poverty from the spending of a certain amount of money? It does not seem to me that that correlation exists.

Stephen Boyle: I am not an economist, but I am drawing judgments based on the reliability of some of the associated material. It is possible to make some of that correlation on a reliable basis. For example, we can see the anticipated impact that the Scottish child payment will have in terms of reducing child poverty.

There are, of course, caveats. That goes back to what we discussed earlier in relation to the range of measures that are in place. Some factors will have a bearing on one measure but, of course, there are other factors around cost of living that will have a detrimental impact. The interaction of the various measures—interventionist and otherwise—is complex, and then there are environmental impacts that will have an impact. However, we think that the data is sufficiently reliable to enable us to make that assessment.

Colin Beattie: It will be interesting to see how that develops.

Paragraph 63 says:

"There is no readily available evidence on how much councils spend on tackling child poverty. It is difficult to fully identify this as it involves a range of actions across different policy areas."

What needs to be done to ensure that that evidence can be provided to support the impact of council spending on tackling child poverty? Again, councils are key deliverers in this respect. We do not know how much money they spend in this area but, clearly, it is a lot of money. How do we ensure that the money is being well spent and is going to the correct area? I think that that question might be best directed to Andrew Burns.

Andrew Burns: My colleagues might want to come in and amplify my response.

The issue goes back to what I said to Sharon Dowey about the annual reports on reducing child poverty levels that are produced by councils and health boards. There is no systematic pan-Scotland analysis of those reports, which goes straight to what you are asking about. We can improve the analysis by having better joined-up collection of data across local authorities and by sharing that data between local authorities and the Scottish Government, and—to go back to Willie Coffey's point—between the Scottish Government and the UK Government.

That better co-ordination and consistency of data is not a substitute for the raw spend that the Auditor General was referring to a moment ago, but it would help to improve the power of that raw spend if that co-ordination was carried out in a systematic way. That approach is quite lacking across and between local authorities at the moment.

Colin Beattie: Who should drive that co-ordination?

Andrew Burns: I think that that is a joint responsibility of the Scottish Government and the Convention of Scottish Local Authorities. It is both a national issue and a local issue, and it will not be solved by one level of government attempting to solve it. Proper co-ordination across both significant levels of government in Scotland—that is, local and national Government—is needed. As I have said, continuing and better co-operation up a level—between the Scottish Government and the UK Government—is needed, as well.

11:15

Colin Beattie: From your knowledge of the councils—

The Convener: Colin, I am afraid that we are running out of time, so I will have to move things on. The clock is against us. Thanks for your questions. If there is time, I would bring you back in, but I think that that will be very unlikely.

Craig Hoy has the final area of questioning.

Craig Hoy: Good morning, Mr Boyle. I want to look at achieving the child poverty targets. To give a snapshot of where we are, there are, obviously, some pretty severe and acute cost of living issues coming towards us. At this point in time, should we be more concerned about the inability to meet the absolute target or the relative target, or are both equally important in public policy terms and objectives?

Stephen Boyle: We should be concerned about all the measures, because they all give a rounded assessment of the experience that Scotland's children and young people are dealing with. We should bear in mind that some of the data relates

back to the early stages of the pandemic. I think that we can expect that aspects of that will have deteriorated.

As we have touched on at a couple of points, the relative poverty rate is hovering at around 26 per cent. That is the most commonly used indicator, but it does not allow for cost of living issues. If we look at the absolute measure, we can see that a significant proportion of Scotland's children and young people are experiencing absolute poverty. All of us—whether we are scrutineers, auditors or policy makers—are concerned about the impact that that is having on children and young people now and will have on their future life chances.

Craig Hoy: Paragraphs 66 to 69 of the briefing look at whether the targets will be hit or missed and mention "key commentators" who have noted that policy changes will be required in order for the Government to achieve its poverty targets. Can you give a flavour of who those commentators are? I saw that the Fraser of Allander Institute was quoted in the report. What are those commentators' recommendations on the significant policy changes that might help us to meet those targets?

Stephen Boyle: You are right. We cited the Fraser of Allander Institute and the Joseph Rowntree Foundation in the paper as having produced material that commented on the progress and the likely further interventions that will be required to be made in order to meet the child poverty reduction targets as part of the third plan. I will bring in colleagues in a moment to share some of the detail of that with the committee.

I recognise that the fiscal environment is very challenging. In order for Scotland to deliver on its child poverty reduction plan towards the end of this decade, significant choices will require to be made. If we assume that the overall size of the Scottish budget will remain as is and the focus is on meeting child poverty reduction targets, there is the possibility that that will come at the expense of other parts of public sector delivery. It is clear that those are choices for the Government and the Parliament to make as they scrutinise budget choices.

I turn to colleagues to support the committee with details on the specifics and the connections that other commentators have made.

Corrinne Forsyth: As we have set out, there are various sets of modelling, and they all do slightly different things. However, they were prepared at different times using different assumptions. The modelling has had to be updated as announcements have been made on, for example, the Scottish child payment and the

changes to it. The most up-to-date modelling that we have is the Scottish Government modelling that was done as part of the second child poverty delivery plan work back in March.

A few months after that modelling came out, the Fraser of Allander Institute did its own modelling, using slightly different assumptions. As a result of its modelling, which was in relation to relative poverty, the Government assessed that, at that point in time, it would likely reduce relative poverty to 17 per cent in 2023-24 when the interim target was 18 per cent, but the Fraser of Allander Institute was a bit less optimistic and, having also considered the difference that the Scottish child payment would make and using the same assumptions, concluded that relative child poverty would be reduced to 19 per cent, thus missing the interim target.

At the moment, we do not know when the next lot of modelling will be undertaken. The Scottish Government decided to do its own modelling, and its main reason for doing so was to give it flexibility in testing different policies before they were implemented and because it had the in-house capability.

That is just a wee bit of background on what has been happening with the modelling since March, but it is very likely that the modelling will be redone again, whether by the Fraser of Allander Institute, the Joseph Rowntree Foundation or others, using different assumptions. After all, things will have moved on since the last time, and it is hard to make like-for-like comparisons.

Craig Hoy: Paragraph 71 mentions not only the importance of employability policies in meeting targets but the very long lead time before they have any impact. Mr Boyle, do you have any impression that the Scottish or UK Government is setting in place the long-term employability and employment policies that will help reduce and then eradicate child poverty over a longer cycle?

Stephen Boyle: We have not undertaken any dedicated work recently on employability schemes, but, given the committee's interests, you will be familiar with our work on Skills Development Scotland's joint planning, the important role that it plays alongside the Scottish Funding Council and the overall arrangements that those organisations have to support longer-term skills planning as well as the Government's response with regard to providing additional clarity on such matters. We are closely monitoring and following those things.

As we touch on in the briefing paper—and going back to some of the fiscal pressures that we mentioned a moment or two ago—we would also recognise the Scottish Government's emergency budget review statement in respect of

employability and the demand-led savings that it has reported that it intends to make against some employability schemes through this year's budget. We—like the committee, I am sure—will be closely monitoring the Government's employability plans, given that it is a key preventative measure for addressing longer-term poverty reduction targets. We are keeping these things under review.

Craig Hoy: Finally, the briefing recommends that the Scottish Government should

"set out options and progress actions to meet the ... targets"

and that they be put in place, or certainly developed,

"well in advance ... of 2026."

Are you sighted on the Government's action or inaction in relation to that, and can you update us on what has been put in place?

Stephen Boyle: The short answer is that we have do not have the detail on that—or, at least, the Government has not yet shared that with us.

We are interested in this issue, but as we point out in the briefing, there needs to be better engagement by Government and its partners with people who have experienced child poverty. They need to speak to children, young people and families to ensure that they, too, can shape and influence these policies. Indeed, a key part of this paper is the need for that stronger engagement with children and young people to ensure that their voices are heard with regard to the measures that will be taken.

Craig Hoy: Thank you.

The Convener: On that last point—and this covers part, though not the full extent, of the evidence that we have taken this morning—you say quite critically in the briefing paper:

"Gaps in data and not enough involvement of children and families with lived experience of poverty are hindering the development of sufficiently targeted policies".

That lack of involvement is actually having an effect on the policy-making process and therefore the outcomes, and it is absolutely critical, is it not, to the approach that is adopted if we are going to get these things right.

There is another issue with regard to employability that I am bound to ask you to clarify. Am I not right in thinking that two out of three children living in poverty in Scotland live in households with at least one adult in work? This situation has come about not because there is a big unemployment problem, but because people are not being very well paid when they go out to work.

Stephen Boyle: I should have the specific data in front of me, but it is our understanding, too, that low-paid work has a direct bearing on household income and affects relative poverty measures. There is a clear connection in that respect, and indeed it speaks to the other point that we make in the briefing paper about having preventative measures and longer-term, better-paid work to prevent children and young people experiencing poverty in the first place.

The Convener: I am going to have to draw this session to a close, but I thank Andrew Burns, Corrinne Forsyth, Tricia Meldrum and the Auditor General, Stephen Boyle, for their evidence this morning. I am afraid that we have run out of road, but we might well come back to you to follow up your oral evidence.

I now draw the public part of this morning's meeting to a close.

11:25
Meeting continued in private until 11:41.

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