

Permanent Secretary

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Kenneth Gibson
Convener
Finance and Public Administration Committee
The Scottish Parliament
Edinburgh
EH99 1SP

31 August 2023

Dear Convener,

I welcomed the opportunity to give evidence to the Committee earlier this year and welcome publication of the Inquiry's report into Effective Scottish Government Decision Making. The report covers important themes which align with our ongoing work to ensure a strong, professional and effective civil service which delivers on the priorities of government, operates in line with the Civil Service Code and values and seeks to embed continuous improvement and shared learning in the way we work and engage with Ministers, partners and communities.

I set out here a response structured around the themes in the report relating to Process, People and Performance and refer you to the accompanying response from the Deputy First Minister; together these seek to address each of the Committee's recommendations. With my senior team I undertake to progress work on the recommendations and report back to the Committee in due course.

Process

The Committee recommends that consideration be given to developing and publishing long-term insight briefings, drawing out the challenges Scotland is likely to face over the next half century; and welcomes the Scottish Fiscal Commission's (SFC) Fiscal Sustainability Report, which noted the Civil Service's role in providing continuity across governments on matters of long-term policy planning and preparedness.

The experience of the Covid-19 pandemic heightened the importance of building our resilience to future risks, and we are seeing a growing commitment to foresight work in policy development internationally.

We are undertaking work to strengthen the Scottish Government's capacity to assess future risks and preparedness and already undertake regular horizon scans. These exercises support us in identifying actions which can be taken in the shorter term to better prepare for future uncertainties and to capitalise on emerging opportunities.

We will begin publishing reports of longer-term insights in the early autumn of next year to create a new resource for public bodies and partners in the third and private sectors to support their own planning and preparedness.

We will also continue to consider and respond to the independent analysis on long-term fiscal sustainability produced by the Scottish Fiscal Commission, and brief Ministers accordingly on the policy responses and fiscal strategies required to meet these challenges.

The Committee seeks information on how I fulfil my role of ensuring strategic advice to Ministers within a wider framework for decision making that is consistent with the Scottish approach to policy and evidence.

As the response from the Deputy First Minister details, the National Performance Framework (NPF) underpins policy and decision-making within government, whilst also providing a framework for collaboration and planning of policy and services across Scotland's civic society.

When presented with a proposal for decision, Ministers endeavour to take a very wide range of issues into account. Advice on significant policy programmes will generally be considered by the Executive Team, collectively, as it is being developed, where any potential issues or limitations in draft advice can be identified and further work instructed before it is cleared for submission using standardised templates. Draft Cabinet papers are subject to an extensive clearance process aimed at ensuring proper consideration of cross-government issues at Director-General level.

Scottish Government civil servants have access to a range of tools which, when applied consistently, provide the foundation for a more systematic approach to policy development and advice. These include but are not limited to the Centre of Expertise for Business Cases; HMT Green Book; Scottish Public Finance Manual; Impact Assessment Framework; Better Regulation Framework.

These are compatible with the Scottish approach to evidence in policy which is built around the tenets of participation, prevention, partnership, and performance as set out in the 2011 Christie Commission report and embodied now in Scotland's NPF. This work emphasises an outcomes-based approach to government and evidence and is reflected in the way we engage, gather, and utilise data and evidence.

As highlighted by the Deputy First Minister, the Scottish Government is undertaking significant improvement work in relation to our corporate services to develop our people and systems, including our use of performance data. This focuses on embedding a culture of continuous improvement and will greatly improve the efficiency, quality and utility of business intelligence.

Over the course of 2022-23, I have sought improvements to our performance reporting, developing a more strategic, co-ordinated and focused approach to delivering and reporting on outcomes. This has helped drive improvements to the rhythm and discipline of our

governance and assurance arrangements. Going forward, regular performance reporting, and our annual Performance Analysis for the Consolidated Accounts, will be aligned to the three missions in the Policy Prospectus, strengthening our focus on outcomes and providing a clearer line of sight to our performance for Ministers.

We welcome the Committee's recommendations on further improving the quality of advice to Ministers.

People

As part of improving how we as a Civil Service make information available that explains what we do, the report recommends there should be a stronger presence and identity for the Civil Service that supports the Scottish Government. The Committee also notes the need to set out clearly and transparently the grounds on which I am accountable to Scottish Ministers, in my role as the Permanent Secretary.

As Permanent Secretary, I am responsible for the day-to-day exercise and leadership of the Civil Service serving Scottish Ministers, authority having been delegated through the Scheme of Delegation from the First Minister. I also act as principal policy advisor to the First Minister and Cabinet. Under the Public Finance and Accountability (Scotland) Act I am, as Principal Accountable Officer for the Scottish Administration, required to ensure the economic, efficient, and effective use of our resources. I am answerable in this respect directly to the Scottish Parliament.

Our core ways of working in the Scottish Government align with the wider operation of the Civil Service; I participate in the Civil Service Permanent Secretaries Network and there are many wider links. The Scottish Government is part of the Devolved Administrations People Sub-Committee and works collaboratively within functional and professional networks, for example.

Positive and valuable engagement as a Civil Service profession takes place across all the nations of the UK. Civil servants across both the UK Government and the Scottish Government are subject to the Civil Service Code, operating to the same core principles.

These principles support civil servants in moving across governments, operating based on the values of honesty, impartiality, integrity, and objectivity. I am confident that the Civil Service working for the Scottish Government recognise these shared values and ways of working.

We will explore what further information can be made more accessible publicly.

Devolution has afforded some scope for differences on matters of People policy and on how the Scottish Civil Service operates. The Scottish Civil Service Code contains its own provisions and notes that civil servants are accountable to Scottish Ministers, who are in turn accountable to the Scottish Parliament.

These standards of conduct enable civil servants working for the Scottish Government to maintain the ability to serve future governments of different political persuasions, and to maintain the confidence of all governments they support across the UK, who can and do come from different political backgrounds. I recognise that all political parties share an interest in ensuring the values of the Code are well understood and upheld.

The Civil Service Management Code sets out the framework for departments in setting local employment policy, and terms and conditions of service. The Civil Service Management Code delegates to individual Civil Service employers the terms and conditions of staff, excepting the SCS, for whom the terms and conditions of employment are reserved to the UK Government. The Scottish Government also determines its own workforce size and requirements.

In operating on a devolved basis, the Scottish Government functions with reference to Section 5 of the Constitutional Reform and Governance Act 2010¹. This Act provides for the publication of 'a code of conduct for the civil service' which 'forms part of the terms and conditions of service of any civil servant covered by the code.' In addition, Section 7 of that Act requires civil servants of each administration to 'carry out their duties for the assistance of the administration as it is duly constituted for the time being.'

I welcome the request in the report for information concerning how I seek assurance that senior leaders embody the culture, skills and attitude needed to lead by example.

I engage regularly with Scottish Government senior leaders in relation to their development and professionalism. I emphasise the importance of our senior leaders embodying the ways of working and values set out in *In the Service of Scotland*, which provide a strong foundation for effective leadership and management.

My engagement with the organisation around leadership and management of change in the recent period has ranged from attendance at regular weekly meetings with Directors - where I have emphasised the importance of core values such as integrity in supporting Ministers to deal with a challenging economic context - to in-person engagement via workshop formats with senior civil servants and a wide range of staff from across the organisation.

The performance of the SCS is assessed on a continuous basis through monthly conversations, a mid-year performance review and quarterly objectives reviews. Performance is judged on the basis of what has been achieved and how (i.e. the behaviours demonstrated).

The Scottish Government leadership framework sets out clearly the expectations of senior leaders. This underpins our recruitment, performance, and development processes and policies.

The assignment of Accountable Officer (AO) is cited in evidence as something that supports the confidence and assurance of Senior Civil Servants (SCS) in providing challenge. The report invites me to consider whether there should be more explicit delegation of specific

¹ [Constitutional Reform and Governance Act 2010 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

key policy development functions to SCS for example in relation to other key behaviours expected of them.

The Scheme of Delegation sets out these relationships in the form of a letter. The letter sets out to the SCS their key responsibilities and details explicitly that DGs look to Directors to assist them in their AO responsibilities. Delegation of authority flows from the Director General (DG) AO to Directors, then to Deputy Directors. Civil servants below Deputy Director grade achieve delegation through job descriptions and performance objectives.

In providing advice to Ministers, Directors operate within the context of the Accountable Officer (AO) responsibilities of their Director General (DG). This framework is intended to ensure the explicit delegation of responsibilities to SCS staff, including:

- internal structures and working relationships;
- the delegation process;
- internal controls through the Certificate of Assurance process, and;
- areas of financial responsibility and delegated authority.

The Scottish Government reviews these delegations each year to ensure the delegations remain relevant and aligned to best practice. **We would be happy to review the content of the letters to be issued in April 2024 to ensure any issues raised by the Committee in relation to SCS are considered.**

This approach is also supplemented by the formal appointment of Senior Responsible Owners (SRO) for major projects and programmes who are appointed by AOs as per the Scottish Public Finance Manual (SPFM).

Further scrutiny takes place through the annual Certificates of Assurance process and through the quarterly SG Audit & Assurance Committee. The SG Audit & Assurance Committee provides support and advice to the Permanent Secretary as PAO in discharging his responsibilities in relation to risk, control and governance and associated assurance through the provision of constructive challenge. The Assurance process is based on the 'three lines of assurance' model and participants include, in addition to front line policy officials, Scottish Government Non-Executive Directors, Internal Audit & Assurance, and Audit Scotland.

The SG Audit and Assurance Committee considers areas such as risk management, the control environment, the integrity of financial statements, people and performance related issues, the work of the Directorate for Internal Audit Assurance, the Governance Statement, and the Scottish Government's Consolidated Accounts.

The report makes reference to input from Professor Flinders, who, in his evidence, reflected on the role mobility of people plays in supporting worldclass policy-making structures. The Committee seeks information concerning how the Scottish Government uses, or plans to use, secondments to draw-in resource and to deepen the experience of its workforce.

The position of the Scottish Government is to encourage secondments and loans to support the development of the expertise Professor Flinders refers to – facilitating the exchange of knowledge, skills, and experience, to build networks and to expand career development opportunities.

The Scottish Government has expanded the use of inward secondments, and between 1 July 2022 and 30 June 2023, 43 inward secondments were recorded across the organisation and delivery bodies. In addition, the Scottish Government supports academic secondments – organised via the UKRI Policy Fellows scheme.

I also note the request in the report to clarify the extent to which the Scottish Government's work to define 'job families', enhancing capabilities and avenues for career development, will, along with other mechanisms, address the negative impacts of churn.

The Scottish Government's adoption of the professions approach is in line with emerging practice across the Civil Service, managing and building capacity and moving away from the generalist-versus-specialist model.

A 'profession' classification, along with a job family and job type, will be assigned to all jobs in the Scottish Government. This approach will support us in:

- better locating and drawing on different types of expertise for advice and decision making;
- designing and convening teams based on the types, combinations, and levels of capabilities required;
- setting clear and consistent capability expectations for different job types, map career pathways to key jobs, and better structure and target our learning and development offers. This will give employees clearer and more stable career anchors, better support, and will strengthen incentives to build deeper professional capabilities;
- Identifying the types of jobs most affected by churn, assess the risks, and take targeted action.

This model will also create space for expertise to be grouped into networks, facilitating the sharing of innovation and learning, and mitigating against the loss of institutional knowledge on an individual's departure from a role. The approach we are taking reflects an understanding of how churn is impacted by multiple factors, which can be mitigated in different ways. **We would be happy to report back to the Committee as this work develops.**

Performance

Standards in policy making are supported by a range of initiatives – including the Civil Service Policy Profession standards. To continue to improve capability across the full range of policy-making skills – including the preparation of advice for Ministers – the Scottish Government is developing a new learning curriculum aligned to the Policy Profession standards. The curriculum is designed to showcase best practice, with experts from across the organisation and across professions working together to develop the learning offer. As

we move through this first stage, we will work with our partners to look at how we can improve the policy-making system, and how we can strengthen our networks to foster stronger collaboration.

The Committee's recommendations provide useful insights that will inform the next phase of our work, and our Policy Profession and their partners will look closely at the recommendations to consider how they can be taken forward.

As Permanent Secretary I have introduced a range of internal improvements since taking up post to strengthen our systems, decision-making and assurance processes and I am committed to continuous improvement across these important areas. I fully support the use of frameworks that enable a more systematic and transparent decision making process - and which serve as a means of reflection and shared learning.

In closing, I am grateful to the Committee for its Inquiry into Effective Scottish Government Decision Making and for your report. With my senior team and through the work described here and elsewhere, I undertake to report back on the recommendations of the Committee at a suitable point.

Best wishes,

JP Marks
Permanent Secretary to the Scottish Government