

Finance and Public Administration Committee

Inquiry into effective Scottish Government decision-making

Summary note of discussions with Scottish civil servants – 21 March 2023

On 21 March 2023, Committee members met with 17 Scottish Government civil servants who, between them, had experience of working in the Scottish Government and the UK Government. The members met with the civil servants in three groups. Following introductions, the groups each undertook a warm-up activity which explored their experiences of decision-making, including who was involved and the skills necessary to support effective decision-making.

This note summarises the discussions that took place in each group after completion of the warm-up activity.

Group 1 (John Mason and Liz Smith)

Civil Service approach to job rotation

The group discussed feedback from previous engagement with former Ministers that civil servants move post too often which in turn led to challenges with institutional memory and continuity:

- Whilst there are risks from job rotation, there are also benefits and opportunities for example, it allows for teams to be established with a range of skillsets.
- It's the job of senior civil service leaders to find the right blend of skills for the team and help mobilise these skills at different points in the decision-making cycle.
- Turnover allows the development of helpful contacts across government which brings cross-organisational knowledge and working (less silo thinking for example)
- It enables fresh insights to be provided by those newly moved to the team.
- There are core skills that all civil servants need which are transferrable to each new post.

Training

The approach to staff training was discussed. Key points include:

- A lot of the specialist development training is on the job.
- Whilst more general 'working in government' training provision may have reduced for a time – there was now a clear focus on increasing the training available.
- Secondment opportunities outside of government arise, and some in the group who had undertaken secondment had had positive experiences.
- There was uncertainty around whether secondments were now more or less prevalent than had previously been the case.
- There was agreement that secondments were a good way to diversify perspectives in the organisation.

UK Government comparison

- Two reflections on Whitehall were offered based on the experience of one participant:
 - policy clearance is more codified at UK level (than in the Scottish Government) which can be quite helpful.
 - Also, there is no Treasury function in Scottish Government. The Treasury provides helpful challenge and robust processes in terms of spending.
- That said, there was also agreement that there are benefits in the smaller scale of the Scottish Government (nimble) which aids access to Ministers, collaborative and in-team working (including between policy officials and analysts), and more joined-up decision making.
- Similarly, the smaller size of Scotland as a country is an advantage in knowing stakeholders and building a productive relationship with them, including through being able to 'get everyone into one room'.
- The smaller scale of Scottish Government could also, potentially, act as a barrier to challenge, for example, will people challenge someone they have known personally for 10 years?

Budget setting

In the absence of the Treasury function, decision-making around setting the Budget was discussed.

- UK Government funding connection is key to the process of setting Scottish Government budgets.
- The Cabinet Secretary for Finance advises cabinet on parameters of spend.
- The Manifesto is a reference point for informing the budgets within portfolios.
- The National Performance Framework provides an over-arching direction for coming up with Budget bids within directorates which then leads to a portfolio-wide evaluation of the resources required to deliver policy.
- There remain challenges around the annual cycle and one-year budgets, often provided by UK Government, in terms of strategic budget planning.

Consistency in decision-making across Government

In terms of consistency of decision-making across Government, it was highlighted that:

- It is not always the same, but perhaps it shouldn't be - context is always important. For example, the pandemic required very fast responses, often in the absence of perfect evidence but in general there is a need for analytical input from across the professions in policy making.
- Where the balance lies between the decisions being same across government, and those where cross-organisation cultures/values should drive decisions could be an area for Committee consideration.
- In terms of building in cross-cutting issues like climate/net zero into decision making, it was explained that this happened at the outset of decision-making. For example, is a climate impact assessment required or not? There are also other statutory obligations, such as Climate Change targets, which now need to be factored in.

- The group was clear that structures and systems exist, but decision-making can be a case of ‘horses for courses’ in that it depends on the issue/context. It also depends on an individual’s ability to collaborate. In that regard, as the Committee has heard in previous engagement, effective decision-making can come down to relationships between individuals and directorate culture underpinned by governance and accountability regime.

Influence of Parliament in the Scottish Government decision-making process

The Scottish Parliament was noted as being a key element of Scottish Government decision making.

- If the Scottish Government is trying to get something done, it requires the authority of Parliament, which is provided to Ministers. “Parliament is fundamental to what we do”.
- A question was asked about the different ways of operating in minority or majority context. There was a feeling that this does have some bearing, but it is still helpful to get buy-in from as wide a range of representation as possible.
- Budget is a key element of the function of Government including in a minority government context when there is a different approach, especially towards the end of the annual process when politicians rightly scrutinise the budget, including proposing swaps, changes or to seek ‘deals’.
- Parliament has a key role in holding Ministers and the Scottish Government to account including requiring more clarity around how policy has been developed.
- It was suggested that there is a requirement for a degree of learning within the civil service around parliamentary engagement and role.
- There is civil service training on some parliamentary requirements, especially in such as answering written PQs, requirements of parliamentary committee appearances and Bill team training (which has quite strong processes).

Minister training

In relation to whether Ministers should have training, it was observed that:

- There is some “induction” provided such as “Welcome to your portfolio”. A lot of it is “on the job” and also in areas such as inter-personal skills and Minister’s preferences (e.g., verbal/written/getting out and about, etc) - Ministers have different styles.
- A key skill of a civil servant is understanding the different styles and preferences of Ministers which can vary enormously.

Leadership and technology

- Leadership is key to the quality of decision-making (and the Audit Scotland submission was referenced). As you go through grades in civil service, leadership becomes more important.
- Technology and digital skills are becoming a more significant skill requirement within the civil service. The example was given of public service design using technology to provide different service experiences depending on individual need.
- Digital is a key part of creating the space for making clear how the decision was taken and to support the credibility of decision-making to the people of Scotland.

Group 2 (Kenneth Gibson)

Participants agreed early on that there is no 'one size fits all' approach to decision-making.

Working with Ministers

In considering the role of a Minister's style (such as a Minister who "has a very clear view of the world") on decision-making:

- It is important for civil servants to know their Minister well enough to know their style and what they want to achieve – this makes it easier to develop and implement policy. This can be achieved at an early stage, provided the Minister's absolute priority is known. Knowing Ministers' ultimate aim is particularly helpful as it gives civil servants permission to operate and allows them to come up with options.
- There may be instances where Ministers attempt to solve a problem before receiving advice and civil servants then have to "reverse engineer it". The best approach in relation to working with Ministers is where they have a clear outcome in mind. Conversely it is more challenging when this is not the case or where a Minister wishes to manage every aspect of the policy development process. Civil servants work best when Ministers identify what they want, give direction on the main aims, but allow the government's workforce and partners, including those directly affected by the policy under review, to get the work done.
- Clarity of aim is the most important element, much more than specification of individual steps, and the relationship works best when there are strong Ministers and strong civil servants.

Collaboration across departments

The experiences of Covid in demonstrating the value of horizontal decision-making was discussed:

- Most decisions are taken 'vertically' within departments/portfolios; however, significant changes involve working across different teams, which can slow things down significantly. Good civil servants can navigate that, but it can be challenging. During Covid, these problems were overcome due to relaxation of some rules, however, now many previous structures have been returned to. During the pandemic there was a fluidity of boundaries and sharing of expertise, with policy and delivery working together – that needs to be retained.
- It was considered that all horizontal decision-making is currently restricted to Cabinet. During Covid there was a need for more rapid, horizontal decision-making. Post-pandemic, as part of public service reform, the organisation including Executive Team are looking at more horizontal (cross-DG) decision-making to ensure collaborative, outcome focused decision making.

Civil service skills

Training and the suggestion that civil servants may receive less training now than they did, for example, 10 years ago was explored in the group:

- It was observed that there may be fewer formal learning opportunities in relation to policy skills and with skills still primarily being developed by working in person with more experienced colleagues some participants felt the civil

service had yet to accommodate to new ways of working (hybrid, remote). It was recognised that there were other benefits from doing business remotely and that the digital learning offer was improving.

- Most learning happens on the job and, given the scale of the Scottish Government, there were opportunities to get promoted and move teams relatively quickly. Some participants recognised the value of moving posts regularly to avoid 'group think'.
- Participants felt that civil servants needed more commercial expertise, private sector expertise and the ability to understand negotiating tactics – something that hasn't been systematically valued. It was suggested that civil servants didn't always know to seek specific expertise. The group considered there was a need for more economists and analysts within the civil service.
- The example of negotiating contracts for one sector was highlighted whereby in Scotland the contracts were negotiated by 'generalist' civil servants without specialist knowledge, compared with the approach taken in England by expert negotiating consultants. Some participants considered that generalist civil service negotiators achieved more thanks to their wider perspective. It was emphasised that the difference does not lie in specialist vs generalist civil servants, but in the level of skill and competence. 'Generalists' are trained in negotiating skills and the value of generalists with good perspective should be valued more (and therefore more of them should be trained, rather than replaced with more narrowly focused specialists). There is a need for balance and good partnership between specialist and generalist civil servants.

Scottish Government structure

It was considered that good policy advice has to be deliverable on implementation.

- Whilst previously there may not have been enough focus on delivery, it is a priority for the current permanent secretary and Ministers. The group explained that the number of steps in terms of implementation needs to be reduced and that civil servants, as policy makers, should be closer to the citizen.
- In the case of the UK Government, there is a different approach with specific roles in No 10 and Cabinet Office providing a strong policy centre, made up of a policy unit, strategy unit and delivery unit, has expertise and financial resources to allocate to individual departments. HM Treasury has a similar central role. However, it has been argued that central policy units can create confusion over accountability and can be distant from delivery. There is a balance and the group felt that the Scottish Government might benefit from a stronger policy centre.
- The smaller size of the civil service working for the Scottish Government also has its advantages – fewer silos, but that in turn means people know each other and get comfortable ('we end up speaking to the same people').
- The alignment of civil service departments to ministerial portfolios is important but can make cross-cutting financial accountability more difficult.

Transition between governments

With a change in First Minister and Cabinet imminent, the impact of this change was discussed:

- Some participants considered that there is a lot of weight given to the current First Minister's and Deputy First Minister's view on priorities. Directors are

currently talking to civil servants about civil service values in preparation for upcoming changes (for example, being prepared for changes to policies in response to new Ministers priorities).

- Accumulation of policy can be an issue – with every new government there is a degree of detachment and a chance to focus and simplify policy. However, in terms of civil service work, the momentum remains so there is “low risk of the engine stalling”.

Group 3 (Daniel Johnston, Douglas Lumsden and Michelle Thomson)

Decision-making approach

The discussion began by considering the general decision-making process in relation to policy development. It was observed that:

- it is generally an iterative process beginning with what are the objectives/outcomes that are to be achieved. Once the focus is agreed, then the civil servants would check-in with internal and external stakeholders, with ministerial checks at every stage proportionate to the desired outcome.
- Either formal or informal consultation is used to draw in options on which to consult the Ministers. Options should reflect the wider context including economic, social or political and, in some cases, the wider global economic context –and an appropriate appraisal of options is carried out drawing on the advice from professions within Government including finance/legal/HR/planning.
- Depending on the circumstances, and in consultation with Ministers, stakeholders may be consulted on possible options to assess deliverability or impact.
- Examples were highlighted such as:
 - how programme management is used to track progress against the key commitments, with a programme board and sub-group involved in oversight and considering material changes.
 - in the early days of developing a policy civil servants might consult with Ministers every few weeks but that could increase to weekly as the policy reached critical points in its development.
- Risk assurance meetings are also used to ensure the levels of assurance align with the Scottish Public Finance Manual and the Accountable Officer (AO) and Principal Accountable Officer (PAO) having a role in ensuring the structures and process are followed in line with the principles of good governance.
- Cabinet is the ultimate decision-making board to secure collective agreement everything cascading from there.

Threshold for seeking Ministerial decision

There was a discussion about how civil servants know when to seek a decision from Ministers:

- Judgement and instinct, as well as guidance, were key in helping to inform when the ‘threshold’ for seeking a Ministerial decision was crossed. If there is a significant proposed change to policy, or a material difference to policy, the decision needs to be taken by a Minister. The relationship between the Ministers and civil servants is also key.

- It is also about understanding the risks, and using the checks/balances infrastructure, for example, in child poverty, there is a programme management structure for the key commitments which is underpinned by appropriate Programme governance.
- Also important was that the approach to seeking decisions from Ministers was proportionate to the policy being developed. For example, more meetings may be required if the policy outcomes sought are complex or depending upon the stage of policy development - meetings with Ministers may take place every few weeks in the early stages of policy development but more frequent at critical decision points.
- Cross-cutting work involves more consultation and more contact with a wider portfolio of Ministers.
- Risk assurance is built into the process – for example the Director-Generals (DGs) each have Assurance meetings to assure that the risk level is appropriate for their delegated responsibilities; and to ensure compliance with the Scottish Public Finance Manual and the Civil Service code. These meetings feed into the Scottish Government’s Audit and Assurance Committee which is chaired by a Non-Executive Director. Papers are shared with the relevant governance boards and the Executive Team to enable them to track progress.
- There are also internal check points with Ministers, such as to determine whether a policy remains on track and deliverable in line with intent. Ministers will have an awareness of corporate governance in the Scottish Government such as:
 - The PAO and AO roles
 - Rules on sharing information (‘appropriate sharing mechanism’).
 - Delivery updates provided to the Permanent Secretary and DGs (which are also shared with Ministers) each month.
- Throughout, there is the assumption that money is spent in line with Ministerial policy.

Documenting advice

In relation to how advice was documented:

- Advice to Ministers sets out the options, as well as the risks and opportunities of all options. Civil servants were clear that whilst their role is to make recommendations to Ministers, it is the role of Ministers to decide. It then falls to civil servants to deliver that policy if it is legal and deliverable.
- The Scottish Public Finance Manual (SPFM) provides guidance on how to identify if something is not compliant, prompting a direction from the Minister. The last instance of a ministerial direction was 2009. It was recognised that directions are used more frequently in the UK Government, where the context may be different. It was also considered that there are advantages and disadvantages to the approach of using directions.

Consistency in decision-making across Government

It was observed that in relation to each civil servant’s policy area, decision-making is tailored to each task although there are commonalities overall:

- The example was given of the National Planning Framework which was prepared on the basis of a tailored approach with several stages from early engagement to formal consultation.

- Another example was the [Programme and Project Management Centre of Expertise within the Scottish Government](#) which suggests that, if a certain threshold is met, regarding the size and complexity of the project, it goes on a register. This prompts a 'health check' or external review of the project. For example, an SRO and Programme Director supported by a PMO (Project Management Office) would be appointed which encourages more structure and rigour in delivery. The Scottish Government has increased the use of PPM approaches given the expanded delivery responsibilities.
- Another example was given of the approach to responding to a crisis such as the situation in Ukraine where initially the focus for civil servants was quickly delivering support to those arriving but after time, as delivery ramped up, a more established PMO approach was established.
 - The Ukraine programme board initially used Gold, Silver, Bronze command groups. Organisations like COSLA, as well as the third sector and the Scottish Refugee Council (then, later, the Ukrainian Collective to gather views from lived experience) were part of that structure. That enabled a diversity of views to be provided including on consultation about what is needed and what (for example) local authorities could provide. Traction with these partners was needed in order for Ministers to be assured any approach would work.
 - A 'safe space' was needed to reflect on what was needed and why. At the start, civil servants were 'finding our way' and required softer skills (rather than, say, project management approaches such as, PPM or AGILE), then an audit trail before returning to more usual approaches to decision-making.
- It was observed that there would be value in learning from the civil service responses (and flexibility) in providing support in response to recent crises such as Covid and Ukraine, albeit it would be with the benefit of hindsight. The cohorts involved in these responses develop experience rapidly and once operations become business as usual can be pivoted to new areas.
- Other examples discussed were COP26 (the Conference of the Parties, Climate Change annual meeting in Glasgow in 2022) and Operation Unicorn (a plan to support arrangements following the death of HM Queen in Scotland) both of which had the Gold-Silver-Bronze approach and a decision log with a clear audit trail on key decisions and who to notify. More generally this approach is used with some operational resilience projects when working with lots of stakeholders – it ensures documentation of who the decision taker is, and who undertakes what role in the command structure, which is important for communication with the Minister.

The usual approach to day-to-day decision-making

How the civil service takes decisions on a day-to-day basis was explored:

- It was highlighted that some systems are relatively stable – for example the Justice system (in term of prisons and arms-length relationship with the Scottish Prison Service (SPS)). In those cases, the SPS makes the day-to-day decisions. The DG and others meet the Justice Secretary on high-risk issues. In stable systems decisions are not being sought from Ministers every day, but rather civil servants' role is to provide a regular update (maybe every 4-6 weeks, but the frequency will vary depending on circumstances),

informing Ministers about day-to-day decisions such as administrative decisions made on their behalf.

- Most of the business-as-usual work is completed below DG level. Whilst staff in those bands below Senior Civil Service are empowered to make decisions within the guidance and framework set, one participant observed that the extent of that empowerment can vary hugely and sometimes is dependent upon leadership style (for example where things may have to go up the chain of command). The culture of discretion could be variable.
- In other areas, such as with planning policy, decision-making can be very structured, for example, Scottish Government planners have the RTPI Code of Professional Conduct to support them in exercising independent professional judgement and objectivity in the planning process.
- It was highlighted that decision-making does not exist in a vacuum – stakeholders, public bodies and experts all have a role but that has to be balanced with the SPFM, what is operationally possible, capacity and what the Minister decides.
- Institutional memory was also needed across the organisation. There is a challenge around maintaining the continuity of knowledge across administrations and across Ministerial teams as it can ‘wax and wane’ over time. There can also be variable experiences of empowerment, within clear structures, and according to role, such as those working below senior civil service grades. It is all there in ‘the guidance’ and is complex. Responding to questions regarding the variation between different grades:
 - If people are not given clear mandates, then some people may flourish because they can ask many people, many questions, whilst others may not. Hierarchy matters when it comes to empowerment and that has its pros and cons. It is not, however, just about grade but can be about protected characteristics which also impact on providing challenge, for example, you might be C Band, but if you are an ethnic minority woman, you may feel that you carry less authority in the room. The Scottish Government could improve the consistency of empowerment. The B and C band distinction is the classic difference in power and role, but there is variability in experiences, according to the people and skills in that team.
 - Culture from the top down was critical to addressing this – and more recently one member of the group considered that there had been a change in this culture with the change in Permanent Secretary – moving from people-centric to a more outcome-centric culture. If the Permanent Secretary and Leadership are more visible, then that culture is seen by everyone, and it can have a really big impact throughout the organisation.

Learning from decision-making elsewhere

There was a discussion about whether there was retrospective learning from how decisions had been made:

- Learning from elsewhere depends upon the policy – for example, in relation to the response to the Ukraine crisis, links were established with many governments to learn from the experiences of their civil servants in supporting refugees and to understand what they do. Another example was working with European colleagues on aspects of EU exit.

- It was suggested that there was less learning from elsewhere in relation to areas outwith core Scottish Government.
- There are also international networks which can facilitate learning about decision-making – such as with Iceland and Finland on planning.

Providing challenge

How to avoid confirmation bias and providing challenge in relation to policy development and policy delivery was explored:

- It was recognised that organisations like Audit Scotland and Gateway reviews have a role in ensuring that external assessments are made of projects; policies or system-wide changes.

Policy delivery

- In early stage crisis situations (such as with Ukraine) initially little hierarchy exists in terms of knowledge as you are all learning as you go – so any and all ideas are welcomed and there was a regular platform for speaking to Ministers.
- In more established programmes such as Social Security there are clear checks and balances on how it operates (including the Programme Boards, governance structure) and how it relates to Social Security Scotland. Checks and balances on unilateral decisions to keep them in line with ministerial intent. The [Scottish Commission on Social Security](#) has a statutory role, and it and the [Disability and Carer Benefits Expert Advisory Group](#) are both valuable. The involvement of these different organisations in policy delivery mitigates against issues such as confirmation bias. Civil Service plans are taken to them, and they are empowered to give advice directly to Ministers. That external role is key. It was also explained that an external body also undertakes interviews with civil servants to reflect on operations and reports back any findings. In addition, there are also lessons learned audits at the end of projects,

Cross portfolio decision-making

- Can be challenging as different approaches from different directorates have to be ‘slotted together’. The example of the [Welfare Advice and Health Partnerships](#) was discussed. This connected Health, Social Justice, and Social Security portfolios, to leverage all three budgets and to get buy-in, to knit together the strategic targets of both portfolios. Civil servants translated the aim from a blank sheet of paper to policy, starting with stakeholder consultation, and were then given leeway to work through the recommendations, before making proposals to Ministers. So, not top-down decision-making even though the decisions were taken by Ministers.

Internal approaches to challenge

How the Scottish Government encourages internal challenge through formal and informal structures was discussed:

- The example of the Child poverty programme board was highlighted whereby a mix of experts, executive and non-executive staff and internal colleagues provided a high level of challenge and scrutiny (to the AO; SRO and Programme Director) supported by the appropriate paperwork to ensure that it is an open forum for discussion. It then flows from the programme board, and lead official to Ministers looking again at choices and outcomes. This board

supports the 4-year Child Poverty Delivery Plan. Learning lessons from each programme is important, however governance is structured. A clear approach will, in turn, empower and hold accountable civil servants. The Programme and Project Management Centre of Expertise within the Scottish Government and policy professionals also help with ongoing development.

- As an example of challenging group think the child poverty legislation (2016-17) introduced the [Poverty and Inequality Commission](#) as a critical friend. Civil servants worked hard to advertise posts widely (for example, via local poverty commissions), so there was a diverse range of applicants, resulting in a diverse commission. It is incumbent on the civil service to address barriers to this type of appointment, such as by funding people to travel to interview, and removing academic barriers to ensure lived experiences are also valued.
- Another example given was of the Disability/Care Benefits advisory group which also identified its own lack of capacity, so they are funding new members. It was considered sensible to give scrutiny groups the chance to configure themselves.
- It was recognised that whilst the civil service cannot completely avoid 'group think', they can use all of the tools available to maintain that constant challenge (for example, through Impact Assessments). The other side of the coin is that a culture built on strong shared understandings is good too.

UK Government and Scottish Government

How do the UK and Scottish Government civil servants work together?

- Brexit prompted a lot of cross-government work. The Environment and Agriculture directorates cooperated to examine what policy and law would look like after EU exit. So, this intergovernmental relations work is very important.
- High level strategy is done by firstly constitutional colleagues in the centre and secondly through portfolio connections.
- There are regular 4-nations Ministerial meetings, underpinned by DG meetings and project meetings. All these levels feed into each other. but this work is not done in isolation, for example, there is a roundtable on climate change (including academics) which feeds into the 4-nations structures.
- It was recognised that UK civil servants have a lot to think about and that, as such, devolution is of much greater significance to Scottish Government civil servants. Building relationships (in cooperation with Welsh and Northern Ireland colleagues), *to get from 'stakeholder' to 'partner'* is therefore very important, otherwise, UK departments will inform the Scottish Government of key developments at the same time as – or after – other organisations (such as with their policy on carers). Once that process is worked through and the benefits of closer links to the Scottish Government are demonstrated, participants considered the relationship to be very positive.
- In terms of the office of the Secretary of State for Scotland, it was considered that when civil servant relationships are working well, it facilitates those discussions, such as regarding devolution capabilities. In addition to which the Scottish Government has to work with the UK Government to deliver. This work varies by Ministers and officials- in many cases there are 4-nations calls, sharing best practice, and learning from each other.

- In areas where understanding of devolution is low, it is then incumbent on civil servants working for the Scottish Government to engage, as is the case for other administrations.
- Also, it is important to distinguish between (1) any political differences between Ministers, and (2) the role which the civil service plays to support. *'We are all the UK civil service'*, and many have had the privilege of working in the Scottish Government and the UK Government.

The role of the National Performance Framework (NPF)

- The NPF provides the common reference point (it is Scotland's NPF) and is integral to what civil servants do. Whilst it may not be referred to day-to-day, civil servants know how it feeds into their policy area. As it has become more embedded, so it is less 'quoted' in day-to-day work - now it is more part of the culture.
- Reference to the NPF is also essential to the advice given to Ministers – such as 'this policy meets this outcome of the NPF.'
- It is especially important to the prioritisation of resources.
- Whilst, for many, the NPF was a key document, this was not the case for all - there is still a job to do to communicate the NPF. It was suggested that for those in the civil service for a long time there may be an assumption that the NPF remains key to the induction packs of those joining which was not the case for all those in the group. It is therefore important to not be complacent about it - there is work to do to establish how each civil servant task relates to the NPF.