



OFFICIAL REPORT
AITHISG OIFIGEIL

Finance and Constitution Committee

Wednesday 6 December 2017

Session 5



The Scottish Parliament
Pàrlamaid na h-Alba

Wednesday 6 December 2017

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FINANCE AND CONSTITUTION COMMITTEE

29th Meeting 2017, Session 5

CONVENER

*Bruce Crawford (Stirling) (SNP)

DEPUTY CONVENER

*Adam Tomkins (Glasgow) (Con)

COMMITTEE MEMBERS

*Neil Bibby (West Scotland) (Lab)

*Alexander Burnett (Aberdeenshire West) (Con)

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

*Ash Denham (Edinburgh Eastern) (SNP)

*Murdo Fraser (Mid Scotland and Fife) (Con)

*Emma Harper (South Scotland) (SNP)

*Patrick Harvie (Glasgow) (Green)

*James Kelly (Glasgow) (Lab)

*Ivan McKee (Glasgow Provan) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Jackson Carlaw MSP (Scottish Parliamentary Corporate Body)

Derek Croll (Scottish Parliament)

Sir Paul Grice (Scottish Parliament)

Michelle Hegarty (Scottish Parliament)

CLERK TO THE COMMITTEE

James Johnston

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Finance and Constitution Committee

Wednesday 6 December 2017

[The Convener opened the meeting at 10:00]

Decision on Taking Business in Private

The Convener (Bruce Crawford): Good morning and welcome to the 29th meeting in 2017 of the Finance and Constitution Committee. I remind everyone to turn off their mobile phones or at least put them in a mode that will not cause interference. No apologies have been received.

Agenda item 1 is a decision on taking business in private. Does the committee agree to take items 3 and 4 in private?

Members *indicated agreement.*

Scottish Parliamentary Corporate Body Budget 2018-19

The Convener: Under item 2, the committee will take evidence on the Scottish Parliamentary Corporate Body's budget for 2018-19. I welcome Jackson Carlaw MSP, from the Scottish Parliamentary Corporate Body, and, from the Scottish Parliament, Sir Paul Grice, chief executive, Derek Croll, head of finance and security, and Michelle Hegarty, assistant chief executive.

Does Jackson Carlaw wish to make an opening statement?

Jackson Carlaw MSP (Scottish Parliamentary Corporate Body): Just briefly, thank you, convener.

Good morning, colleagues. Last year I came to the committee as a young ingénu in relation to these matters, following the tragic loss of our colleague Alex Johnstone. At least this year, I come having been immersed for a little bit longer in the agenda of the issues that we will discuss.

In the session with the committee last year, I noted that there were a range of issues facing the corporate body that, while we could foresee them, we were not able to quantify in our budget. Specifically, they were the implications of the Brexit decision following the referendum across the United Kingdom in 2016, and the work to reform Parliament that would emerge from the commission on parliamentary reform on improving what we do and how we do it.

I also noted the evidence of renewed energy at the start of session 5 among all our colleagues, with new powers being handed to us and a noticeable increase in the volume of business. There was an increase of some 45 per cent in overall business in the first year of this session of Parliament in comparison with the first year of the previous session. That is a considerable increase, and we can talk about it in more detail if that would be helpful to the committee. However, it is due to, in particular, more and longer committee meetings, which have quite an implication for resource.

It is the corporate body's view that our Parliament is busier than ever. It is facing significant change, and that, combined with the impact of its new powers, means that continuing to fund those recurring costs from our contingency is no longer sustainable—that was what I alluded to last year. Therefore, the corporate body proposes a budget that aims to reflect the new circumstances that the Parliament faces. In doing so, it proposes a medium-term financial plan that seeks to address known pressures, anticipated

risks and opportunities to improve Parliament's performance in a planned and proportionate manner until the end of the session.

The proposed budget of £89.9 million is an increase of £4.6 million—5.4 per cent—against the current year's budget, and it is an increase on the estimated budget that we presented to the committee last year to cover this year. As members of the committee will no doubt have noted with interest, we have budgeted for a co-location project in respect of the Scottish Public Services Ombudsman and the commissioners who must vacate their current offices, with the aim of delivering immediate and then longer-term savings. In doing that, we are mindful of the discussion that we had with the committee in the session last year on value for money. Excluding that one-off cost, the proposed budget is just 0.8 per cent higher than in the 2018-19 indicative forecast that was presented to the committee last year, and 3.3 per cent higher than the current year's budget. The position has been helped by reductions in certain budget lines, such as those for rates, and savings on the new information technology contract roll-out.

The corporate body anticipates that the SPCB's budgets will be set in line with inflation for the remaining years of this parliamentary session, and that any remaining upward cost pressures in those areas will be contained within existing resources. Clearly, that is caveated by any significant game-changing events impacting on Parliament. An example of that is the possibility that the SPCB will be invited to fund the Electoral Commission in respect of Scottish elections, although no bill to pursue that has yet been suggested.

Turning now to the main drivers of the current budget, on all indicators available to us, the corporate body believes that we have moved on to a new level of demand for services that will continue throughout the session. It is busy on the legislative front and in terms of inquiries, votes, motions and other indicators that we can measure. In year, we have made a few operational decisions about staffing to meet specific gaps, and the budget proposes some further additional staffing—for example, to address capacity issues in the official report and, in the area of public engagement, to meet the changing demands around social media and provide support to committees.

We have also been closely monitoring and assessing the anticipated impact of Brexit on the Parliament in respect of scrutiny and legislation. We know that that will be complex, with challenging deadlines, and that there will be additional work to support it on top of existing parliamentary work. We have made some reasonable planning assumptions about what will

be required and we are proposing additional staffing, primarily for clerks, researchers and lawyers. To reassure the committee, however, we have divided that resource between temporary and permanent staff to give us flexibility.

Against the backdrop of additional work for the Parliament, there is also broad cross-party support for reform, and the corporate body is set to consider the resources that are required to implement recommendations in that regard. Many have no cost implication at all, but some do, and we are proposing an additional £500,000 for contingency at this stage to enable the flexibility to progress that work.

We are approaching the end of the two-year pay deal for parliamentary staff, and negotiations will commence in the new year to determine a new pay settlement. As discussed with the committee in previous years, MSP pay rises are linked to public sector pay rises in Scotland, using the annual survey of hours and earnings that is published by the Office for National Statistics. Using that index, I can confirm formally that an increase of 0.6 per cent will be applied in April 2018.

We have provided analysis of the other costs in various schedules that form part of our budget submission, so I will not repeat that information.

In closing, I present the committee with the corporate body's fully considered bid for the financial year 2018-19. We have analysed the information available to us over many months and assessed the risks that we face and the areas that we wish to develop so that we can decisively continue to provide Parliament with the resources that it needs in the budget. Our budget is pitched at a level that we believe is necessary, proportionate and sustainable in the medium term, until the end of the session.

Murdo Fraser (Mid Scotland and Fife) (Con):

In your opening remarks, you mentioned the issue of commissioners and the SPSO, which the committee has looked at in the past. According to the figures that you have submitted for the budget bid, we have six commissioners and ombudsmen, and the overall cost of those offices will increase to almost £11.5 million in the coming year. Some of that cost relates to a one-off relocation, which I am sure you will tell us more about in due course. However, with regard to the non-capital costs, the budget for the Commissioner for Ethical Standards in Public Life in Scotland will receive a large budgetary increase of 10.5 per cent on the current year. Will you give us more detail as to why the commissioner is receiving such an increase in his projected budget?

Jackson Carlaw: I will let Paul Grice come in on this as well, but the commissioner made a

submission to the corporate body during the year in which he felt that the increase was necessary. It reflects an increase in the number of complaints that have been received by him, which he now has to investigate. The number has increased significantly, such that it was necessary for an employment resource to be added to cope with them, if I recall correctly.

Sir Paul Grice (Scottish Parliament): Yes—let me just develop that. There are three components to the increase, and the biggest by far is for extra investigatory work. Over the past four years, we have tended to fund that through a contingency. We budget for around 400 hours of investigatory work a year, but it is actually running at closer to 600. In evidence to the Standards, Procedures and Public Appointments Committee, the commissioner made the point that the complaints are also increasing in complexity. We felt that it would be more transparent to be up front and, rather than funding the office continually through contingency, put that in the budget so that the committee could see it. That accounts for about £55,000.

The other two components are a new case management IT system, which will support the work, and £17,000 for potential additional functions around the lobbying register, if there are complaints under the new regime, which, as you know, comes into place next year. That has to be an estimate and we will, I hope, be able to firm up on that when we present next year's budget.

Jackson Carlaw: The co-location is an important consideration. The SPSO has to move, so there would have been a cost associated with that, even if we had not looked to co-locate the office with other commissioners.

The commissioners are in accommodation with contracts of variable lengths, but there is an opportunity to see whether we can bring together three of them on to a single stand-alone site. We are also of the view that their existing offices are not necessarily drop-in centres and do not need to be in accommodation with prestigious high street addresses. However, it is certainly important that the commissioners are accessible and that they have a functioning office.

It is difficult to be precise about the saving that we will realise over the years ahead—we are looking at a number of premises, so the savings vary, and we are still negotiating—but, to be cautiously optimistic, we could save about half a million pounds in accommodation costs on an on-going basis over the next decade.

Murdo Fraser: Thank you for that.

There is a contingency figure of £1.75 million for the accommodation project. Where does that

figure come from? Does it relate to the costs of breaking existing leases, for example?

Michelle Hegarty (Scottish Parliament): At this stage, we have not secured a property. The figure covers our understanding of what we would need to put in place and includes money for removal costs, the installation of information technology systems, advisers and fit-out work, such as ventilation.

The accommodation market in Edinburgh is good; it is also fluid and property turns over very quickly. We find that most properties that are available for rent are shells—an organisation goes into a property and fits it out to its own standards. In addition, given the nature of the bodies, we would obviously want to give thought to equality considerations.

The main fees are associated with the fit out and the move. In the run-up to securing a final property, we will seek to negotiate changes in rents, because we have a staggered situation in relation to the different properties and the commissioners and the other office-holders will have to move at different times.

Murdo Fraser: I know that others want to come in on this issue, so I will just ask one more question. Are the commissioners all enthusiastic about the project? Do they welcome it?

Michelle Hegarty: Since April, we have had a working group on which the commissioners and the SPSO sit. They have been working well with us to consider the option of co-location and its impact. Co-location is change, and I have met all the office-holders and discussed with them the fact that they, as employers, will have to manage the impact of that change for some of their staff. We are confident that, working with them, we will be able to secure something that will meet all their needs.

Adam Tomkins (Glasgow) (Con): Are you looking only at properties in Edinburgh?

Michelle Hegarty: At this stage, yes. The corporate body has indicated that, for reasons of continuity of staffing, it would be desirable to look in Edinburgh in the first instance.

Adam Tomkins: Notwithstanding the fact that Edinburgh has the most expensive real estate in Scotland, these are all national bodies, so there is no reason why they must be located in the nation's capital.

Michelle Hegarty: There is no reason why they have to be located in the nation's capital, but we considered the fact that they are currently located in Edinburgh and that all the staff are drawn from the surrounding areas. Therefore, it would probably be a lot more expensive for us to look outside Edinburgh.

The bodies also have a range of working relationships with different Edinburgh-based bodies. They made representations to us about that, and about staff continuity and the years of experience that the staff have in carrying out their jobs. Mindful of the fact that co-location would be a big change, the corporate body was persuaded that Edinburgh first was the best option

Jackson Carlaw: We were mindful of the very point that Adam Tomkins makes, because we also took the view that that did not necessarily mean that, as has been the case in the past, the bodies need to be located right at the heart and centre of Edinburgh. Other opportunities are provided by locations such as business parks on the periphery of Edinburgh, which might provide suitable accommodation. They are among the places that we are looking at to see whether we can identify suitable premises.

Adam Tomkins: That is good, but there are towns and cities that are not very far away from Edinburgh and which have accommodation available at much cheaper rental costs.

Paul Grice: If we are unsuccessful in securing accommodation that is both value for money and fit for purpose, I am sure that the corporate body would reconsider the matter. As Jackson Carlaw said, our first option includes the peripheral parts of Edinburgh. If that does not prove to be successful—in other words, if we cannot find accommodation that the corporate body thinks provides sufficient value for money and meets the commissioners' requirements—I am sure that the corporate body would look again at the options.

Jackson Carlaw: Liam McArthur has repeatedly made the case in the corporate body that they should be located in Orkney—

Adam Tomkins: I am glad to hear it.

Jackson Carlaw: —so we understand the various options that exist.

10:15

Patrick Harvie (Glasgow) (Green): Michelle Hegarty mentioned the equality considerations that need to be borne in mind in the context of the relocation project. The Public and Commercial Services Union has expressed concern about the impact of distance from the rail network, in particular for disabled employees and people who have caring responsibilities, and has requested consultation with the SPCB. The in-principle decision has been made, but clearly the SPCB has further decisions to make, which will impact on staff, despite the SPCB not being the direct employer. Has the SPCB agreed to take part in consultation with the PCS?

Paul Grice: No, because we are not the employer, as you rightly said. We are very clear on this point: the engagement is between the PCS and the employers, who are the commissioners, so such consultation would be inappropriate.

We take equalities seriously. When we have identified a preferred property—as Jackson Carlaw and Michelle Hegarty said, a number of properties are still in play and commercial negotiations are going on—we will undertake an equality impact assessment.

I think that Michelle has encouraged the commissioners individually to engage with the PCS, but we are clear that it would not be appropriate for us to do so.

Patrick Harvie: It seems reasonable that at least the design of the equality impact assessment—the kinds of question that it will ask—should be informed by the views of those who represent the people who will be directly impacted by the outcome of the decision.

Michelle Hegarty: Our intention is to do the equality impact assessment jointly with the office-holders. We have asked the office-holders for equality impact assessments that they did in relation to previous moves, before they arrived at their current locations, to help to inform the next equality impact assessment.

Patrick Harvie: So the employers themselves, that is, the office-holders, will—

Michelle Hegarty: They will collaborate with us on the equality impact assessment.

Patrick Harvie: Will they commit to including a representative of the workforce in the process?

Michelle Hegarty: As part of the equality impact assessment, they should bring forward impacts on staff from an equality perspective.

Patrick Harvie: Yes, but would you expect them to include the representative union—the only one—in that exercise?

Michelle Hegarty: How they engage with the PCS in relation to concerns that staff might raise is really a matter for them. We will collaborate with the office-holders in carrying out the equality impact assessment, and the questions should flush out any equality impact in relation to staff they employ.

Patrick Harvie: I appreciate that there is not a direct employment relationship, but it would be hard for the SPCB to make a final decision—and therefore to calculate the impact on its budget—if the process had taken place without the involvement of the union that represents the workforce.

Paul Grice: We have probably said as much as we can on that; it is a matter for the commissioners. As you said, the corporate body will have to judge the effectiveness of the proposals, and we will consider the extent to which the commissioners have engaged with their staff and unions. I am keen not to cross the line into telling the employers how to engage with their staff; that is a matter for them. However, I think that there will be a positive process. I assure you that we are very serious about it.

Patrick Harvie: Convener, may I move on to pay issues?

The Convener: We will come on to that later. Other members have supplementary questions.

James Kelly (Glasgow) (Lab): In the Scottish Public Services Ombudsman's costs, professional fees are projected to more than double, from £196,000 to £453,000. What is the background to that?

Michelle Hegarty: The SPSO is a demand-led organisation and, obviously, it does not know how many complaints it will have to investigate. It has limited control over that. Over the past seven or eight years, the Parliament has consistently increased the SPSO's responsibilities, so complaints about more public bodies have been going to it.

Recently, the Government indicated that it wants to establish a national whistleblowing officer role relating to the national health service, which would be added to the ombudsman's responsibilities. It has written to the corporate body to ask whether it can lay an order before the Parliament to do that; we expect that next year. That will be an additional function that the SPSO must take on. The Scottish Government will make some provision for the initial running costs, but thereafter it will come back to the corporate body to fund. There is recognition of the increased workload and new powers that the ombudsman has had to take on over the piece.

James Kelly: I appreciate that the number of complaints has increased—I know that from dealing with constituents—and you have outlined the position with increased powers. However, I am not entirely clear why the figure has more than doubled.

Paul Grice: If you like, we can take that question away and I will be more than happy to write back to you on it to explain the details.

James Kelly: That would be fine.

Jackson Carlaw: The calculation that we have made and agreed is all related to the new functions of the ombudsman and the assessment of the implications of those.

Adam Tomkins: Jackson Carlaw said in his opening remarks that he anticipated that he will come back to us with future budgets that are in line with inflation. I anticipate that the ombudsman's functions will be very significantly enhanced after the Social Security (Scotland) Bill is enacted—assuming that it will be enacted—because I anticipate that complaints about the new social security agency will be investigated by the ombudsman. I may be wrong about that, but it may happen. Have you factored that agency into this increase, or could you come back to us next year, or thereafter, with further significant increases because the workload is likely to increase very significantly after devolved social security comes into force?

Jackson Carlaw: I do not think that we have scoped out what that additional responsibility would be, because it is further ahead than we can look. As I said at the start, if there were any significant additional new responsibilities, over and above those that we have anticipated, that would probably lead to a further review of the cost.

Adam Tomkins: To be clear, this doubling of the ombudsman's budget because of increased workload does not take into account devolved social security.

Paul Grice: There is not a doubling of the budget. The year-on-year increase is around 2 or 3 per cent.

Adam Tomkins: I am talking about the figures that James Kelly has put to you, which went from £196,000 to £453,000.

Paul Grice: I reassure you that the overall budget is up 2 or 3 per cent. We will check the detail of the budget and get back to you. There is not a doubling of the budget; there is quite a modest increase. The ombudsman is an organisation that has been given a lot of additional functions.

Your point about social security is well made, but the timing and scale of that change mean that it would not have been sensible in this round to speculate about it. Once the agency is in place, if the Parliament decides that the ombudsman should take that responsibility on, it might be one of the significant issues that Jackson Carlaw alluded to, which we would have to work through quite carefully. I am aware, as you are, of the scale of the operation, but it is not possible to speculate this far out. Jackson Carlaw has quite properly indicated that there are one or two potentially significant changes that would have to come back. Our undertaking that this is a medium-term budget must have that caveat. By this time next year, we may well be able to have a more informed discussion with the committee about what that might look like. We could also look at the

timeline with you, because—critically—the agency is coming on stream in steps.

Jackson Carlaw: I ask Derek Croll to clarify any confusion about the numbers.

Derek Croll (Scottish Parliament): In schedule 4(b), which gives the breakdown of revenue costs, the new functions for the SPSO for 2017-18 are shown as a single figure of £1 million. For 2018-19, that figure has been allocated into the individual lines, which is why the lines that you are referring to are showing such a big increase relative to the total increase.

James Kelly: Are you talking about the figure for professional fees?

Derek Croll: Yes.

James Kelly: The previous year's figure was £196,000, so I assumed that the figure that was sitting on the same line was a like-for-like comparison.

Derek Croll: The new functions that were budgeted in 2017-18 were put in as a single figure of £1 million. That figure has now been allocated out into the individual components.

Jackson Carlaw: In the same column where James Kelly has identified the figure of £190,000, you will see £1 million at the bottom, which is allocated out into the line items for this year.

Derek Croll: Therefore, the total has gone from £4.304 million to £4.4 million.

James Kelly: I understand about the overall total but, on that individual line, you have shown 2017-18 at £196,000, so I have assumed that you have broken that £1 million figure down to the particular responsibilities and the figure has then gone up to £453,000, so there is still a doubling on that individual line.

Derek Croll: It is just showing as a total for 2017-18, but we could analyse that £1 million figure and allocate it over.

Paul Grice: For your sake, James, as well as my own, we will write you a detailed note on that particular point. In response to Mr Tomkins's point, I just want to reassure people that the overall increase is 2.2 per cent year on year for the ombudsman as a whole.

Alexander Burnett (Aberdeenshire West) (Con): I want to go back to the question of location. You say that, when you are looking for somewhere to relocate the offices, the location has to be in Edinburgh because of staffing issues. Is the radius of where you are looking the same as for MSPs who have to commute in daily?

Michelle Hegarty: We would be looking in the wider Edinburgh area and peripheral Edinburgh.

Alexander Burnett: But it would be the same distance that you apply in relation to MSPs' accommodation.

Paul Grice: Broadly, it would be. As you know, there are three zones for members, which are defined very precisely in the expenses scheme. We have not looked at this with that precision but, broadly speaking, we are looking at the greater Edinburgh area, including, as Jackson Carlaw said, the business park out at the Gyle—the north of Edinburgh as well as the centre. It is not exactly the same but, broadly speaking, yes.

The Convener: Before we move on to general staffing issues, I have one further question on the commissioners. In the report on the draft budget for 2017-18, the committee welcomed the suggestion from the corporate body that it may wish to consider a review of SPCB-supported office-holders. We invited you at that stage to consider the issue.

The Parliament has been in place for almost 20 years. I know that the commissioners and the ombudsman have come along at different stages. Given that the Parliament has been in place for that length of time and we now have all this architecture, where have we got to with that review? It would be interesting to know, because it is probably about time that we did something serious on that.

Jackson Carlaw: It would be fair to say that this year we have looked at savings that can be achieved through co-location and other efficiencies. In the parliamentary session before last, I sat on a committee of the Parliament when proposals were made to reduce the number of commissioners and—crucially, at that point—to consider the creation of additional commissioners. There was talk in that session of a commissioner for veterans and a commissioner for older people. There was the prospect of a considerable extension in the overall number of commissioners.

In the event, some of the proposals to merge commissioner roles that Parliament then considered met with quite considerable resistance. This year, the corporate body, in looking at the various things that I identified in my opening remarks—Brexit, the commission on parliamentary reform and the additional powers that are coming to us—has not specifically initiated a further, more detailed piece of work on the commissioners. However, if this committee was again to suggest to us that it felt that that was something we should do, we would certainly consider doing it.

Ash Denham (Edinburgh Eastern) (SNP): I am looking at schedule 3 of your paper, where you have broken down the new staffing. I am interested in the 13 new operational posts. You state that you have taken them on

“to allow the SPCB to fulfil its scrutiny responsibilities on Constitutional issues/Brexit.”

I am interested in those roles and what the split will be. You have listed five areas—committee, legal, the Scottish Parliament information centre, media, and business information technology. How will the 13 posts be split across those areas?

Jackson Carlaw: I think that Paul Grice is best placed to answer that.

Paul Grice: There will be five posts in the legal office, two in the committee office, four researchers in SPICe and one post each in media and BIT. They are a mixture of permanent and temporary posts.

It is probably important to make one overall comment, which picks up on a point that Jackson Carlaw made. We have to be flexible as well. As this committee knows better than any, we do not exactly know what the scrutiny load will be, particularly around constitutional change, as well as the new powers that are coming on line, which must not be forgotten, such as social security. When we see how it pans out, we may flex that, but that breakdown is our starting point. If we need to flex it through the year—because, for example, we need more researchers or fewer lawyers—we will do that. However, that is our starting assumption with those 13 posts.

Ash Denham: You have listed six posts for public engagement, which is part of another change to the Parliament’s role. Will there be enough for member support, if we are taking on a considerable amount of work, or is it too early to say?

10:30

Paul Grice: I do not know. You will see that we also explained how our contingency is fitter this year and I reassure the committee that the highest call on the contingency would be scrutiny work on any form of constitutional change, whether that is new powers, the Brexit process or additional responsibilities that might come on the far side of Brexit. We feel that that is as far as we can go with our current analysis and, rather than just pack out more posts, we have put some money in the contingency. If we needed additional posts in those areas, that would be the first call on the contingency.

Ivan McKee (Glasgow Provan) (SNP): Thank you for coming along this morning. Looked at in the round, the total budget is now—for the first time—more than £100 million, so we are dealing with a not inconsiderable amount of taxpayers’ money. Having said that, I am glad that you are taking the value-for-money agenda seriously, and it is obvious that you have made some reductions

in cost areas such as IT and purchasing, which is great.

I am intrigued by the 45 per cent figure for the increase in workload that Jackson Carlaw mentioned at the start. Is there any more information on where that increase has been and, following on from that, on the staff positions that sit behind processing some of that work? What analysis has been done or is being done on the streamlining of processes or process mapping reviews to understand where there are, for example, a couple of jobs that are similar or where there is a lot of admin going on that could be taken out and made more efficient? Will you reflect on some of that?

Jackson Carlaw: One of the commendable things about the operation of the Parliament in the past year is that a considerable amount of the workload increase has been accommodated from within existing resource. We would probably agree between us that some of the 45 per cent increase that makes up the headline is not necessarily labour intensive. The fact that considerably more motions have been lodged by members does not, in itself, mean a significant increase in cost.

However, more committee meetings mean a significant additional increase in cost. In the first year of the previous parliamentary session, there were 367 committee meetings, but there were 427 meetings in the first year of this session, which met for a total of 798 hours. Committees meet more regularly; members will know that committees that might previously have met once a fortnight are now routinely meeting once a week. There is a commitment in terms of the official report and the parliamentary resource that is associated with that, in particular.

In addition, we are partially anticipating the suggestion from the commission on parliamentary reform that committees could meet at the same time that Parliament is in session, which would quite deliberately add a cost for Parliament, because we do not currently have to provide services dually and there would be additional costs associated with us being able to do that.

It is interesting that, generally speaking, members have been very engaged this parliamentary session and there is a considerable additional commitment from the number of motions being lodged and the number of bills being introduced by members. Perhaps Sir Paul will flesh that out further.

Paul Grice: The 45 per cent increase relates to, for example, motions and questions, and the number of those is up. To give a bit more flavour, in the first year of this parliamentary session compared with the first year of the previous session—that is the best comparison—committee

time is up by about 8 per cent and chamber time is up by about 12 per cent. If we go back to the beginning of session 3, committee time is now nearly 40 per cent higher in comparison and, in terms of the productivity of the organisation, that increase is quite substantial.

We have made a number of significant reforms of the committee office system over the years and your clerks could no doubt talk to you about the much more flexible system that now exists. The more senior clerks have taken on responsibility for more committees and there is more adaptability so that we can move the staff to where the issues are. We have used technology to improve systems and a number of the project investments that lie ahead—perhaps not in the next year, but in the years beyond—on, for example, the committee agenda system can help with that.

Specifically, we are looking at an interesting project on the legislative drafting system, which is a collaboration between us and other Parliaments. What we have now is the legacy from nearly 20 years ago, as the convener pointed out, and it is no longer supported. We have therefore had a joint procurement project to develop a new system that will improve the effectiveness of drafting from the Government side through to our own side. We hope that that will provide a better service for committees.

Michelle Hegarty chairs our strategic resources board, and when the board looks at project bids, which are usually but not always technology related, it always looks for the business efficiency from the project—I can give you that assurance. We try to build in that approach, and I hope that those few specific examples illustrate what we are trying to do in that regard.

Ivan McKee: That is fine. I have a specific question that might not be relevant but is about something that we see. You referred to motions. I am new to the Parliament and I have got into the habit of doing what other members do, which is to generate motions on practically anything that happens in my constituency. Is the process for motions fairly automated or does it have significant costs? Frankly, although there are motions that are very important, many look like a waste of somebody's time.

Paul Grice: The process is automated and it is pretty efficient. It has a cost, but I would not want to overstate that. Of course, the high volume incentivises us further to look at how we could streamline the process.

Ivan McKee: Okay. That is fine.

Jackson Carlaw: In other words, you are asking whether it costs more than the £10 that was awarded to somebody we are celebrating in the motion.

Ivan McKee: Correct. This is my last question, which you might or might not be able to answer. If we waved a magic wand and decided that Brexit was not a good idea after all and that you did not have to budget for the costs associated with it, how much could you save?

Jackson Carlaw: It is not the corporate body's business to anticipate the political background or associated business of Brexit. We are simply charged with ensuring that the Parliament can function in all circumstances. I do not think that we have quantified what it would not cost if Brexit did not go ahead.

Ivan McKee: But you have identified the extra roles that you need to create to deal with the extra workload caused by Brexit.

Jackson Carlaw: Yes, but I suspect that even rolling that back would have a cost implication. However, I do not know whether we have looked at it that way round.

Paul Grice: It is hard to be too precise.

Ivan McKee: How many additional roles are you talking about because of Brexit?

Paul Grice: I have two points to make. Obviously, it is a politically delicate issue—

Ivan McKee: It is a matter of fact.

Paul Grice: I am referring to our response to it. We are already in the middle of that, as you know, because this committee is a good example of what is being done. Although Brexit has technically not happened, the Parliament is heavily engaged with the process through its committees and plenary business. Given that, the corporate body's job is to provide the services that Parliament requires. We have to work on the basis that, until we hear something different, Brexit is going ahead. You will note that we have talked about extra posts and about Brexit and constitutional issues. Brexit has raised a whole constitutional debate and a lot of committee and plenary engagement might have a Brexit element, but it often strays into other areas as well. It is therefore difficult to pick out the impact of Brexit in that regard.

I do not think that we can say any more than we have said in schedule 3, which is our best estimate of where we stand. However, to pick up on the point that I made in response to Ash Denham, there is obviously further contingency planning because we just do not know how it will play out. However, we have not reverse engineered what we are doing in the way that Ivan McKee asked about, so it is not possible for us to put an exact figure on the cost of the process.

Ivan McKee: Okay. Thank you.

The Convener: I want to pick up on some of the stuff that Ash Denham asked about. With regard to

the additional staffing requirements, there are 13 new operational posts for committee, legal, SPICe, media and BIT; six additional posts for public outreach work; and a further seven posts to support increased demand for other parliamentary support. Given that, as Adam Tomkins alluded to earlier, we are now taking on additional social security powers, this committee and other committees will become much more involved in the fiscal framework issues, the budget adjustment processes, tax and borrowing, the Scottish Fiscal Commission and Revenue Scotland. That is before I get to any of the Brexit issues around the legislation that will come to the Parliament—fisheries bills, environment bills, trade bills and all the issues to do with the supplementary legislation surrounding that.

I want to be sure about the staffing increases, and that you are as convinced as you can be that we have the right balance between operational posts that are coming in and posts in other areas. Beyond the contingency that you described to Ash Denham, what room for flexibility have you left yourselves if it should prove that the additional posts that you have identified for operational purposes are not sufficient?

Jackson Carlaw: You make a very important point. That is the reason for our choosing to put a very considerable sum—I think that it is £0.5 million—into contingency. We recognise that we cannot anticipate the way in which all those things will unfold, or the order in which they will do so. There are clearly some very important issues straight ahead of us. Some of the engagement issues arising from the commission on parliamentary reform have yet to emerge from discussion in the various parts of the Parliament that are looking at how they might operate. We are mindful of the point that you make. Perhaps Sir Paul would like to add to that.

Paul Grice: I agree absolutely. There is also a detailed point on the public engagement posts, which I may come back to.

We think that there is sufficient flexibility. I reiterate that we have been monitoring the situation very carefully. Even before the new financial year begins, you will know how things are moving. As we move into next year, we will start to get a clearer idea, particularly on, for example, the scrutiny burden around subordinate legislation. I reassure the committee that if we detect at all that we do not have sufficient resources to deal with that, we will switch resources into it. We believe that there is enough flexibility in the budget to do so.

On the engagement posts, it might be worth saying, as a point of detail—I apologise if it has not come out as clearly as it could have done in schedule 3—that we are talking about establishing

six permanent public engagement posts. In fact, three of those posts have already been filled on a temporary basis, so there are not six new posts. Three of the posts will be new. We have taken a judgment on the other three and they have been filled temporarily, using contingency. We are persuaded that there is a case for making them permanent. However, just to be clear: the 13 operational posts are all new posts on top of those. As I have reflected on that point, it might have been explained rather more clearly. However, I hope that what I have said gives the committee further reassurance on where we see the balance of priorities.

The Convener: That is helpful. There have already been some moves on providing Parliament with support and advice on Brexit. I see from my inbox that a Brexit unit has been established in SPICe. What consultation on that was held with committees? Frankly, I had no consultation about that unit before it was set up, and I would have thought that customers—the conveners, clerks and so on who were materially involved in such issues at that stage—would have had some consultation before the unit was set up, about what the expertise would be, what the unit would do and what our needs were. However, I am not aware of that having happened. There may be stuff going on that I am not aware of, or that Mr Johnston, our clerk, is aware of but I am not. Do you know what consultation went on before the unit was set up?

Paul Grice: I, too, would have thought that you would have heard about the unit, so I am surprised that you did not know about it. It is a worthwhile development, and it also draws on external advice. Straight after this meeting, I will take that point away and talk to my colleagues about how, as we develop the unit, we can make sure that it engages with committees—especially lead committees, such as this one—to make sure that it meets your requirements.

There has been a reorganisation of resources in SPICe to give a clearer focus. It draws in experts sitting outside Parliament, from whose input I know the committee has benefited. That is a very important part of the process. If you do not feel that you have been consulted on it sufficiently—or at all—that surprises me, but I think that it is something that we can rectify. The work of the unit has only just begun and is not something that will be fixed in stone. I give the committee an absolute assurance that the unit will engage with you. If the committee has particular views on how the unit might develop in the future, we will take those into account.

The Convener: Other committee members and I will certainly want to understand what the unit will do. My point is not just about now, but about later:

it is about the common frameworks and the various pieces of legislation that will follow, and the support that all committees that will be involved in the process will need. I would welcome such discussion. I should say that something about it may have dropped into my in-tray a few months ago and I did not notice. If it did, please forgive me, but I am not aware of it.

Paul Grice: No—it is a very fair point. Even if that were to be the case, it would be very productive for colleagues who lead that unit to come and have discussions with the committee, to understand your perspective on how you would like it to support your work.

Jackson Carlaw: Incidentally, convener, I think that I am right in saying that there has been a 21 per cent increase in the first year of this parliamentary session over the last year of the last parliamentary session in the number of inquiries that members have made of SPICe.

The Convener: The advice that we have had from SPICe so far on the whole issue of Brexit, and indeed the budget, has been fantastic. I would like to put that on the record.

10:45

Emma Harper (South Scotland) (SNP): Good morning. We have heard a lot about the establishment of the six permanent public engagement posts. I am interested in outreach activity. If we are going to go out and engage with the people in rural Scotland, there will obviously be cost implications for accommodation and travel for that outreach. How would that look?

Jackson Carlaw: One of the principal recommendations arising from the commission on parliamentary reform was a new focus on public engagement. The public engagement unit that works with committees is designed to stimulate committee engagement beyond Parliament, with a view to soliciting fresh witnesses who have different perspectives that can be brought to the consideration of the legislation that we undertake. A lot of the resource is being used to find ways in which that much broader base of potential witnesses will be able to engage with committees and enrich parliamentary life. We also hope that it will involve them much more in the whole process of developing and considering legislation that is going through Parliament.

I sat on the commission on parliamentary reform, and I found that, as we went round Scotland, there was a strong feeling that the current engagement is sporadic and that the evidence that Parliament hears is inclined to be from what was broadly termed “the usual suspects” and not necessarily from the much broader community Scotland. That was a large

part of what underpinned the recommendation in the commission’s report. Parliament has, in a nominal way, said that it wishes to support that recommendation, but there is a lot of detail to deal with before we get to that point. Michelle Hegarty can speak about that.

Michelle Hegarty: That is it exactly. Committees in the Parliament have reflected over the piece that they hear a lot from the usual suspects, as Jackson Carlaw alluded to. The outreach work has been about helping to prepare people who can add value to the committees’ deliberations to come forward and undertake that. That can be quite a difficult experience for people, and some of the subject matter can be difficult for them to convey.

A good example of our outreach work was the homelessness inquiry. The outreach support involved working with two voluntary sector organisations to identify people who could come to the committee and share their actual daily experiences. It was then about preparing and supporting them through the entire process, up to and including their giving evidence to the committee. That work is time intensive and requires a specific skill set, and that is the investment that the outreach team wants to make now by converting two of the temporary posts into permanent posts. That is based on the experience that those people have provided to committees and on the end results of that work, which has impacted on the quality of committee work.

Emma Harper: I support that move—I think it is great. We need to get out to rural Scotland and speak to people, so I welcome it.

The Convener: I think that you have a wider question on efficiency issues.

Emma Harper: Yes. I am also interested in the efficiencies of the Scottish Parliamentary Corporate Body. How do we compare with other Assemblies and Parliaments in, for example, Ireland, the UK and Wales? If we now have an increase in business of over 45 per cent—I know that everyone feels it—how do we compare to other Parliaments?

Jackson Carlaw: I ask Paul Grice to take that. It is probably not for me to say.

Paul Grice: Obviously, I would like to say, “Very well.” Benchmarking is difficult, but I can give you an example. Benchmarking against the UK Parliament is incredibly difficult, because it is so different—it is bicameral and a huge organisation. We often look at individual services with which we have strong links, whether those are technology, security, clerking or research services. For instance, we have talked about SPICe, which has links with the House of Commons library. It may

not be efficiency benchmarking, but we are always looking to see what we can learn from each other.

In raw numbers, the total staffing complement in the Scottish Parliament is around 500, and I think that the staffing complement in the Welsh Assembly is around 450. That suggests that we are not far out of kilter. Its staff have a range of responsibilities of course, but the Welsh Assembly has many fewer members. That comparison gives some comfort on benchmarking. From time to time, we have looked to see whether benchmarking can be done numerically, but there are too many variables and I would be worried that we would get something misleading.

Across individual services, we try to work with others, especially our colleagues in other Parliaments in the UK, to see what we can learn from each other. The legislative drafting development that I referred to in answer to an earlier question is an example of an area in which we decided that we could gain efficiencies by collaborating. We are paying less than 10 per cent of the development costs of that new system by sharing the development with other partners—the Scottish Government and some of the UK players.

That is probably as much as I can say, but I hope that it reassures the committee that we take efficiency very seriously and look to see what we can learn from other institutions.

Emma Harper: Thanks.

Patrick Harvie: I am going to move on to pay but, before that, briefly, if you are looking for comments on the Brexit unit, it published an interactive Brexit timeline on Monday of this week, which is awesome comic timing, so the unit has set itself a high standard to maintain.

On staff pay, aside from the number of staff that the Parliament needs, Jackson Carlaw mentioned that we are coming to the end of a two-year pay deal. The paper says:

“For budgetary purposes we have made provision for a percentage increase to be applied ... on 1 April 2018 and ... for incremental progression within the agreed pay scales.”

Is that an intention for another two-year period, or is it for a one-year period from next year?

Jackson Carlaw: All that I can safely say is that we are about to embark on a negotiation. Last time, that negotiation led to a two-year pay deal, but the negotiation starts afresh and at this stage we have not set out any conclusions or expectations on what we might arrive at. I do not want to prejudice it by going beyond that.

Paul Grice: I cannot say any more than that.

Patrick Harvie: So that is an open question at this point.

Paul Grice: It is fair to say that it is an open question.

Patrick Harvie: Further on in that paragraph, it says:

“Discussions ... will take place ... once the SPCB has agreed a negotiating remit”.

I assume that you have not got to that point since the paper was written.

Paul Grice: That is true.

Patrick Harvie: Will that take into account the outcome of the Scottish budget process? One of the issues that the Scottish Government is under pressure on is to achieve at least an inflation-based increase in the public sector pay settlement for its employees, and there is a consequent sense of expectation for it to show leadership to other employers in the public sector. Will the SPCB's approach take into account the outcome of that Scottish Government pay policy in respect of an inflation-based settlement, if that is what happens?

Paul Grice: The corporate body has to look at lots of things. We look at comparators, and not just the Scottish Government, although I reassure Patrick Harvie that that will be one. We should bear it in mind that we are an independent service and not linked to the Scottish Government. Affordability is a key question. We have a long history of fruitful negotiations with the unions, which in our case includes the PCS and two other unions. In setting the negotiating remit, we also look ahead at what we anticipate our staff might want. There is a range of issues, but one of the factors that we will look at will be anything that we understand about the broader economic climate and the approach that the Scottish Government and its agencies are taking to their pay settlements. That may not be a determining factor, but it will certainly be a relevant factor that we will consider.

Patrick Harvie: Are you confident that the proposed budget will allow that flexibility, if that is the position that is agreed?

Paul Grice: We believe so.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning. I want to ask a wee bit about digital services in the Parliament. I think that the Parliament's digital presence is really good and strong, and the support from all the IT teams is absolutely first class. The paper mentions that you will be investing in upgrading the Parliament's website. Can you give us a glimpse of what we can look forward to seeing on that?

Jackson Carlaw: Michelle Hegarty is the best person to take that.

Michelle Hegarty: That is a big project, which has just kicked off and which has been on the radar for a little while. The current website was brought into being in 2011 and, as you will be aware, technology has moved on apace since then. Most organisations now do not do a big build of a website, leave it and then come back to rebuild it. The intention is that we will do a step-change this time, because we need a new platform as our current one is unsustainable in the long term, but we intend to put in place a website that can be iteratively developed over the years so that we do not have to do a huge build again, which is costly. That will also give us the opportunity, if we use the right technologies, to flexibly improve it going forward.

The team is at the stage of scoping out a road map for the website and how it will be delivered. They are getting a lot of user feedback. Yesterday, they were in the garden lobby trying to talk to members and getting their feedback on the existing website and what they might want from a future website. As a result of all the user involvement, the intention is to bring forward a beta version in the 2018-19 financial year, which people can have a play about with and give feedback on, and then, at some point over the next two years, to completely move away from the current site to the new site.

The investment will be in all the online services, and not just the website. There will also be investment in the intranet, which is for the staff in the organisation and everything that we have to do to manage our daily business, and in the members' portal, because there has been a lot of feedback on where we go with that as well.

Willie Coffey: Emma Harper mentioned public engagement and the usual suspects. Will we get to a point where the public can, for example, participate directly in committees through Skype or Twitter by submitting questions, suitably moderated, of course? That happens in other forums. Will the Parliament embrace that through the committees or even through the parliamentary website so that the public has direct access to communicate with members?

Paul Grice: That is an interesting area. I had direct experience of that when I gave evidence earlier this year to the Environment, Climate Change and Land Reform Committee. I arrived early and the committee was doing a moderated session exactly as you describe. Members were taking questions, suitably moderated by one of my colleagues, through Facebook Live. The committee had some expert witnesses and it was trying to take those questions. That was an interesting experiment in direct democracy.

The corporate body will want to be led by committees on the issue. If there is demand from

committees—there clearly is some—we feel that we have the technological capability to support them in that, but it should be driven by the business of the Parliament. We do not want to get too carried away investing in clever new technologies if that is not demanded by the committees. However, if they want to move in that direction, we have some of the technological capability now and, as we go forward, we would make sure that it was built in.

Willie Coffey: It is one way in which we can distribute and share the life and work of parliamentarians with the whole of Scotland rather than just Edinburgh. People have to come here to have an experience of what goes on but, using digital technology, that experience could be distributed anywhere in Scotland, from Shetland right down to the Borders. I look forward to opportunities to do some of that work in future.

James Kelly: You have built into the budget a figure of £540,000 for staff turnover, which, in effect, is a credit because you say that there will be periods, understandably, where there is a gap between staff leaving and being replaced. What is the trend in staff retention? Are you confident that experienced and professional staff are being retained and that you are following up on recruitment so that gaps are minimised?

Paul Grice: Yes, and we have good staff retention. Derek Croll advises us on the 2 per cent figure, and we think that it is fair. We do not feel that we should budget for the full amount and that that is prudent. We have good retention, especially in key areas such as clerking and research. Like many organisations, we struggle to recruit in highly buoyant markets such as IT and legal, and we have been looking creatively, especially on the IT side.

For example, we have been recruiting people more directly from college and university, where we can often attract people, although we accept that they might stay with us for only three or four years. We struggle to complete in that mid-market area, where a lot of other organisations, frankly, outbid us in respect of what they can pay. However, across the piece, I am very pleased with retention. The situation enables us to invest with confidence in staff, as we feel that we will get payback through their expertise. That has been a hallmark of the Parliament over its lifetime.

The Convener: I thank the panel for coming. It has been a good session.

11:00

Meeting continued in private until 11:20.

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

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