



OFFICIAL REPORT
AITHISG OIFIGEIL

Finance and Constitution Committee

Wednesday 13 January 2021

Session 5



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FINANCE AND CONSTITUTION COMMITTEE

1st Meeting 2021, Session 5

CONVENER

*Bruce Crawford (Stirling) (SNP)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP)

*Tom Arthur (Renfrewshire South) (SNP)

*Jackie Baillie (Dumbarton) (Lab)

*Alexander Burnett (Aberdeenshire West) (Con)

*Patrick Harvie (Glasgow) (Green)

*Dean Lockhart (Mid Scotland and Fife) (Con)

*Fulton MacGregor (Coatbridge and Chryston) (SNP)

*John Mason (Glasgow Shettleston) (SNP)

*Anas Sarwar (Glasgow) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Michelle Hegarty (Scottish Parliament)

Gillian Martin (Aberdeenshire East) (SNP) (Committee Substitute)

Liam McArthur MSP (Scottish Parliamentary Corporate Body)

David McGill (Scottish Parliament)

CLERK TO THE COMMITTEE

James Johnston

LOCATION

Virtual Meeting

Scottish Parliament

Finance and Constitution Committee

Wednesday 13 January 2021

[The Convener opened the meeting at 09:30]

Interests

The Convener (Bruce Crawford): Good morning and welcome to the Finance and Constitution Committee's first meeting in 2021. We have apologies from Alasdair Allan and I welcome Gillian Martin as his substitute.

We have had a couple of changes in the committee's membership since we previously met. I thank Alex Rowley and Angela Constance for their hard work and significant contributions during their time on the committee.

I welcome our new members—Anas Sarwar and Fulton MacGregor. I invite Anas Sarwar to declare any interests that are relevant to the committee.

Anas Sarwar (Glasgow) (Lab): I have no relevant interests to declare. I look forward to serving under your chairmanship, convener.

The Convener: Does Fulton MacGregor wish to declare any interests that are relevant to the committee?

Fulton MacGregor (Coatbridge and Chryston) (SNP): I look forward to being a part of the committee. As with Anas Sarwar, I have no relevant interests to declare.

The Convener: As this is Gillian Martin's first meeting as a substitute member, I ask her to declare any relevant interests.

Gillian Martin (Aberdeenshire East) (SNP): I have no relevant interests to declare.

The Convener: Thank you, all three.

Scottish Parliamentary Corporate Body Budget 2021-22

09:31

The Convener: Agenda item 2 is evidence from the Scottish Parliamentary Corporate Body on its budget submission for 2021-22. I aim to close the session by 10:45 at the latest or earlier if that is achievable, given that chamber business begins at 11 am. We are joined by Liam McArthur and from the Scottish Parliament by David McGill, chief executive; Sara Glass, group head of financial governance; and Michelle Hegarty, deputy chief executive. I warmly welcome all our witnesses and invite Liam McArthur to make a brief opening statement.

Liam McArthur MSP (Scottish Parliamentary Corporate Body): Good morning to you, convener, and the committee. With the presence of Anas Sarwar, Fulton MacGregor and Gillian Martin, I feel almost like a Finance and Constitution Committee veteran in comparison.

Happy new year to you all. When I appeared before the committee just over a year ago, I advised that the SPCB was continuing to take a prudent approach to financial planning that was consistent with our medium-term financial plan. After a step change in investment to address Brexit earlier in the session, that plan was intended to manage other pressures and uncertainties within our normal budget limits until the end of the current session.

As the committee will appreciate, just a few short months following that appearance, we faced the worldwide pandemic. As a result, it has been a year of unprecedented change for the Parliament, and the SPCB has had to undertake regular and significant reprioritisation decisions to ensure that the Parliament could continue to fulfil its vital constitutional role safely and sustainably.

We near the end of the current financial year within our budget. However, that has had an impact on staffing, revenue and project budgets, and the on-going pandemic has been a key consideration in how we have framed and shaped the budget submission. The SPCB has also sought in the submission to address other uncertainties and pressures, which I will deal with briefly—they include Brexit scrutiny support, which has been a concern for the committee, as well as the review of the staff cost provision, election planning and office-holders' costs.

The proposed budget for 2021-22, excluding capital charges and non-cash items, represents a net 16.9 per cent increase on the current financial year's budget. That is 8.4 per cent higher than the

indicative budget for 2021-22 that was presented to the committee just over a year ago. The increase is attributable primarily to the review of the staff cost provision and Electoral Commission costs.

Turning first to our planning assumptions in relation to the pandemic's impact on our operations, the current temporary way of running the Parliament is more expensive, and it is unlikely to be a linear process back to normality. That said, the SPCB has already made certain investments, such as in technologies to support business and working from home and physical changes to meet public health requirements, which are not recurring in 2021-22. Our expectation is that we will gradually return to a fully functioning Parliament, and we have built the budget assuming a normal election year and that we will reprioritise budgets as necessary throughout the year to address the demands of the pandemic. We have retained our usual contingency provision to cover that and other unforeseen circumstances.

As identified by the Parliament in a plenary debate on 8 December, there remains a great deal of uncertainty around the impact of Brexit on the Parliament's scrutiny function. There will undoubtedly be impacts arising from areas such as the common frameworks, the United Kingdom Internal Market Act 2020 and keeping pace powers. We will continue to have the additional staff resources that the SPCB put in place three years ago to advise and support members. We will continue to invest in the Scottish Parliament Information Centre academic engagement programme and committee advisers to extend the specialist support and expertise available to members. The SPCB constantly reprioritises within its resources to meet the changing demands of the Parliament across the year, and it has additional flexibility within the contingency to meet new operational pressures. That is financially prudent and offers flexibility to respond to emerging legislative and scrutiny demands while we plan for a longer term investment.

We are also proposing changes to the overall expenses scheme and, in particular, to the level of staff cost provision, having reviewed that provision and evidenced the increasing demands for members, primarily in representing constituents. The SPCB proposes to address those pressures by increasing the level of staff cost provision in session 6 from £93,900 to £133,200 per member. It is up to each member, as an employer, to determine how they use their provision to staff their office within the overall cap. Other alterations that we propose to the expenses scheme for session 6 are cost neutral. The proposed SCP changes result in the budget bid being £5.8 million higher, based on its application from the start of session 6. That figure includes an uplift of 2.7 per

cent, in line with the approach to the annual uprating of that provision, agreed by the SPCB in March 2020. Following the budgetary process, the review recommendations will be subject to approval by Parliament in the coming weeks.

The financial year 2021-22 is also the point in our parliamentary cycle when we must address the planning and resourcing requirements arising from the Scottish parliamentary elections. As indicated to the committee in December 2019, we have set aside an additional £3 million in contingency, to cover the one-off costs associated with the 2021 election, including resettlement grants, winding up costs and staff redundancy payments, in line with the equivalent provision made at the start of session 5.

As the committee knows, office-holder resourcing is an on-going SPCB responsibility. It is also a constantly evolving landscape, as the Parliament continues to add additional responsibilities and/or create new office-holders. The office-holders' draft 2021-22 budget submissions total £14.8 million, which is £3.8 million or 34.7 per cent higher than the current year. As indicated to the committee last year, the SPCB will be responsible for funding the Electoral Commission, for its devolved activities in Scotland, from 2021 as a result of the Scottish Elections (Reform) Act 2020. I can confirm that the costs for 2021-22 are now known, at £2.6 million, which covers work relating to the forthcoming Scottish parliamentary elections and preparatory work for the local government elections in 2022. The bid also reflects additional funding requirements for the Scottish Public Services Ombudsman, as a result of becoming the independent national whistleblowing officer for the national health service. Excluding those additional elements, the budget increased by £378,000, or 3.4 per cent, over the 2020-21 budget. The increased figure of £378,000 also includes the impact of the full rent for Bridgeside house, which accommodates three of the office-holders, becoming payable.

Finally, I can confirm that SPCB's budget bid, as advised to members, reflects a 0 per cent uplift for MSPs' and ministerial salaries, reflecting political leadership from the Parliament as the country faces exceptional economic circumstances arising from the on-going pandemic.

I apologise for the slightly longer than usual introductory remarks, but there was quite a lot that I felt I needed to go through. My colleagues and I would be more than happy to answer any questions from the committee.

The Convener: Thank you, Liam. That was useful—we needed to hear some of the detail, and you provided it.

It would be appropriate to signal the committee's deep appreciation for the significant contribution, and sometimes self-sacrifice, made by the Parliament's staff since the start of the pandemic. Their initiative and flexibility in enabling the Parliament to work have been quite magnificent. We should pass that on to all staff who have been involved throughout the process.

You will be aware that, following consultation with other committees, this committee wrote to the Presiding Officer in his capacity as the chair of the corporate body, following the committee debate on the impact of Brexit on the Parliament's scrutiny functions. The letter stated that

"the responses we received from other committees are clear that greater scrutiny capacity within the existing committee structure is now needed to address the substantial increase in committee workloads arising from the impact of Brexit."

We will consider the PO's response as part of our budget scrutiny next month. You have let us have some of your initial thoughts, but could you go into more detail about how the Parliament is responding?

Liam McArthur: Thank you, convener, for your comments on the work of SPCB staff over the past nine or 10 months. It has not been easy for anyone but, as you said, the way in which SPCB staff have responded to the evolving nature of the challenge has been nothing short of magnificent. I appreciate your putting that on the record on the committee's behalf.

In broad terms, this parliamentary session has been busier than the previous session, which is a trend that we have been following since devolution. Session 5 has been a busier session in terms of committee and plenary business, motions and questions lodged and so on, as well as MSP activity in general, than session 4. Year 4 of session 5 has been busier than year 4 of session 4. As you say, convener, some of that may well be driven by Brexit, but that has been the general trend and the SPCB has had to respond to that.

It is undoubtedly the case—I know this from my experience in the Justice Committee—that some of the uncertainties of the issues thrown up by Brexit have proved challenging for the management of workloads. However, the SPCB has sought to respond to that as flexibly as it can, given that some of the uncertainty remains even now. Were I speaking to you before Christmas, we would still not be entirely clear what the deal—or no deal—in relation to Brexit was going to look like. Even now that we know the deal that is before us, some uncertainty remains. We are keen to ensure that members in general, but primarily this committee, have access to the expertise that they need across the board.

I touched on some of the roles that have been created, the engagement that SPICe has as a result of tapping into academic expertise, and the fact that committees are taking on specialist advisers. We will continue to keep that under review. I rather suspect that my successors on the corporate body will be looking to make longer-term decisions throughout this year and, at the end of the year, will probably provide the Finance and Constitution Committee with a little more certainty about which of those roles are seen as permanent requirements for the Parliament. At the moment, though, given the current uncertainty, we have committed to keeping those people in their roles for a further two years. Hopefully, that will meet the requirements for the time being.

The Convener: It would be helpful to have a breakdown of the additional resources allocated to address Brexit issues. That could probably come in the letter that we get by way of response from the Presiding Officer—I am not expecting it at this exact moment. I am sure that the chief executive heard me suggest that.

09:45

Murdo Fraser (Mid Scotland and Fife) (Con): I want to pick up on the point that Liam McArthur made in his opening comments about MSP and ministerial salaries rightly being frozen for the coming year. I am sure that every MSP has had experience of being contacted daily by constituents who are losing their jobs or seeing their businesses fail. It would have sent out entirely the wrong signal for MSPs in well-paid public sector jobs to take a pay rise at a time when many in the private sector are losing their jobs. I think that we would all agree on that.

However, it is not just MSPs who are paid through the parliamentary budget. A host of others are paid from that budget, including of course the office-holders—the commissioners and ombudsman. I note that we now have six separate office-holders, all of whom are, I believe, paid salaries more than that of the average MSP. The breakdown of the budget bid from the various commissioners and the ombudsman shows that all of them are projecting increases in their staff budgets. I would welcome clarity on that, because I would be extremely concerned if, when MSPs and ministers are leading by example in taking a pay freeze, the commissioners were not following that lead.

Liam McArthur: Before I answer that, I confirm to the convener that I am more than happy to provide the detail that I have on some of the posts, but I will not delay the committee with that detail just now.

Murdo Fraser fairly summarises the debate that took place in the SPCB on the case for a pay rise for MSPs and ministers in the current climate. There will always be those who question the justification for any pay rise in any year, but the exceptional circumstances in this year led us inevitably to the conclusion that the SPCB needed to take the position that it has done, without setting a precedent.

On the budget for the office-holders, as I said, in considering the increase in the bid from last year, we need to strip away the £2.6 million for the Electoral Commission's responsibilities that have shifted to Scottish Parliament and SPCB responsibility, as well as the uplift that is required after the initial savings that were made through the co-location of three office-holders at Bridgeside house.

The office-holders are cognisant of the same issues that we are all wrestling with and are aware that there is a need to control costs as far as possible. Some of the office-holders are subject to demands that are somewhat unpredictable—they provide a demand-driven service, if you like—so it is not straightforward to control the costs entirely without running the risk of not being able to fulfil their functions.

The uplift is explainable by those two main chunks of additional expenditure. The Parliament is amending the role of existing office-holders or bringing into being new office-holders, which makes it very difficult to entirely cap the cost that is incurred.

Murdo Fraser: Thank you for that comprehensive answer, but I am afraid that it does not address the point that I put to you. The breakdown of costs that you have kindly provided for each of the commissioners shows that they all have increases in staff costs from last year to this. There may be perfectly legitimate reasons why staff costs are increasing—perhaps there is increased workload and the commissioners are having to take on additional staff—but the specific question on which I would like an answer is whether the commissioners, who are very well-paid and secure public servants, are following the lead of MSPs and ministers in taking a pay freeze from this year to next.

Liam McArthur: I will bring in David McGill to respond to that question, but the point is that the SPCB will determine any uplift. The commissioners and office-holders will have to put their bids in to the corporate body, and we often challenge those bids when they come in. I can think of a number of examples when we pushed back and rejected the bid for additional capacity because we did not feel that it was justified, or it was not justified on a permanent, rather than a

temporary, basis. I will ask David McGill to respond in more detail.

David McGill (Scottish Parliament): I will flesh out what Liam McArthur was saying. The budget bids that are before the committee today show increases for overall staffing, not for the individual commissioners and office-holders. Those settlements will be subject to negotiation with the trade union side. It is not for the corporate body to set the rates for the staff of the individual office-holders—that is done through negotiation with the relevant TUS bodies in the same way that the staff of the Parliament's pay is set through negotiation. The corporate body has control over the salaries of the individual office-holders, but it is for the individual office-holders to use their budgets in negotiations with the relevant unions to set the pay. They have all been given a bit of flexibility in the budgets to set those negotiations, which will take place over the coming months, before the pay rates for their staff are settled.

Murdo Fraser: To be clear, who exactly sets the pay of the commissioners?

David McGill: The pay of the commissioners is set by the corporate body.

Murdo Fraser: What stance is the corporate body taking in relation to the pay award for commissioners from last year to this year?

David McGill: The corporate body has not yet taken a stance on the pay for the individual commissioners. That is still to be decided.

Murdo Fraser: At this stage, I make a strong personal recommendation to the corporate body that, if MSPs and ministers, as well-paid public servants, are leading by example and taking a pay freeze, there is no way on earth that commissioners, who are well-paid, secure public servants who probably earn more than we do, should be getting a pay uplift. I do not know whether that is reflective of the view of the rest of the committee, but it is my firm view on the matter.

David McGill: That will certainly be taken on board. I think that I am right in saying that the majority, if not all, are on fixed-term salaries, so it may not be an issue that the corporate body needs to adjudicate on. I will certainly take that view back, and it will be borne in mind when we are discussing pay with the office-holders.

The Convener: Thank you, Murdo. That is a matter that we can come back to in our budget report and make specific recommendations on as a committee, should we choose to do so. It took a bit of work to get the information about where we are on the matter, so good on you for keeping going with it.

John Mason (Glasgow Shettleston) (SNP): I support what Murdo Fraser is looking for.

Liam McArthur, it was said that MSPs face increasing demand, which I fully accept. However, the NHS and local government also face increasing demand, but the MSP staffing costs are being increased from £18 million to £25 million, which is 32 per cent, and I suspect that the NHS and local government are not getting increases of 32 per cent. If a member of the public asked you to justify giving a 32 per cent increase for MSP staff, how would you answer them?

Liam McArthur: Again, that is a fair point, which we wrestled with in arriving at the decision that we did. It is fair to say that MSPs are the employer, this is a capped provision and MSPs are perfectly within their rights to draw down much less than the cap.

The survey of members and staff that we undertook over the summer provided the evidence for the decision that we took. A significant majority were experiencing an unprecedented increase in workload, not just in the quantum but in the complexity of the casework. A number of others were not experiencing that or certainly felt that it was manageable within their staff capacity. As is the case at the moment, where there are members who underspend across a range of the different budgets, it will be possible for them to continue to operate as they are currently operating. However, the corporate body had to find a way of responding to the workload pressures that were coming through very strongly across the board from MSPs from all parties and from across the country. That is what we have sought to do.

Ultimately, it is the responsibility of MSPs to meet the needs of their constituents and to help them with the issues that they face, whether they relate to job losses, business failures, access to health and care services or benefits claims. As I said, across that range of issues, the quantum is increasing, and the complexity has increased as well. We would be facing considerable criticism both from within the Parliament and, I suspect, from those who are trying to engage with their MSPs and with the Parliament if we did not take steps to try and meet that need.

It is undoubtedly a difficult decision to take. As John Mason rightly pointed out, other services are also under considerable pressure at the moment; I suppose that we would all make the argument for ensuring that they have the additional resources that they need to meet those pressures.

That is what the SPCB was seeking to do in making the uplift. It identified casework as the primary point of most pressure.

John Mason: I fully accept the point that both Covid work and work generally varies a lot between MSPs. My own office and staff have not

been any busier because of Covid, and I think that I have kept my staffing budget within the limit.

I will make one suggestion. At the start of the new session, we will probably have quite a lot of new MSPs. Some of them will not be used to employing staff and will spend 100 per cent of the budget on day 1. That gives them no flexibility if there is tightness in years 2 or 3 and they will then find that they cannot give pay increases or take on a part-time member of staff or whatever. I therefore suggest that, somewhere along the line, new MSPs are advised not to spend the full budget on day 1 but to keep something in reserve because they could hit a rainy day. I do not know whether the SPCB or somebody else would do that; I simply suggest that it might be a possibility.

Liam McArthur: That is again an issue that we have discussed at some length in the corporate body, and we are in the process of making changes to try and ensure that that happens.

We are already seeing the point that John Mason made about MSPs spending to the maximum at the outset and leaving themselves no headroom for pay progression or changes in roles over the course of the parliamentary session. He is quite right that the start of a new session allows us to make changes both for new MSPs, through the induction programme that is being arranged, and for returning MSPs, because it is an issue that is pertinent to all MSPs. Although the way in which we are structuring expenses and office cost provision will allow some of that to take place, it is certainly a message that we would look to reinforce.

I invite Michelle Hegarty to talk a little bit more about the specifics of that point.

10:00

Michelle Hegarty (Scottish Parliament): It is a very fair comment. In our experience, many new members are not used to being employers and they value some support in determining what staffing support they need in the Parliament and in their local offices, and how to structure the different jobs that they require to support them so that they have flexibility across the different places that they work in and across the parliamentary year. In undertaking the review of staff cost provision, we have sought to increase the amount of human resources support that is available to members.

In the run-up to the election, our HR team will be having discussions with members about the advice and support that they can provide to them, and about the implications for their staff. However, there will also be immediate support after the election to help returning and new members to determine how they want to use the new staff cost

provision, including issues such as whether they want to give staff progression, where they should therefore place them on the scales, and how to budget.

In addition, we are going to have more involvement centrally in training support for members' staff, as a result of the review of the scheme. We will ensure that there is a proper induction programme for members' staff, so that they can learn more about the job and about working for the Parliament, and so on. Hopefully, that will help them to get up to speed pretty quickly as well.

The Convener: Before I go to Jackie Baillie, I have something to say by way of balance. I have no axe to grind. Everyone knows that I will be retiring at the next election. I am sure that what John Mason said about the pressures on staff is his experience, but I also know that the experience of many colleagues to whom I have spoken is of the unprecedented nature, scale and complexity of the work that their staff are having to undertake. "Unprecedented" is a much-used word in these times, but I think that that is what the offices of many MSPs across the parliamentary complex have been facing. I do not want to leave the impression that John Mason's situation is everyone's position.

Jackie Baillie (Dumbarton) (Lab): I, too, was going to provide a contrasting opinion. I have one full-time member of staff for casework, but all three members of staff are now having to do casework, such is the huge increase in workload. However, it is right that we should scrutinise the issue, because it is the most significant uplift in the budget that is before us.

In addition to the substantial increases in casework as a result of Covid, did you pick up that there was a general increase because the Scottish Parliament has assumed more responsibilities and that there was therefore pressure on our offices even pre-Covid? Furthermore, is it the assumption that the uplift will enable parliamentary offices to employ one additional member of staff?

Liam McArthur: What Jackie Baillie describes as happening in her office with the distribution of casework is reflected very much in mine. Although it has not been universal, I think that the experience of the overwhelming majority of MSPs has been, as I have said, that there has been an increase in volume as well as in complexity.

On expectations, ultimately it is for MSPs as employers to determine the staffing make-up in their offices. Currently, that varies, and I fully expect that to continue to be the case when it comes to different roles and to whether individuals are based in the Parliament or in constituency or regional offices. It is right that MSPs take those

decisions, as they are best placed to do so. However, the argument for what is undoubtedly a significant increase in the budget needs to be based on evidence.

Undoubtedly, the pressure that we were seeing related to casework. Over the past 10 months or so, that has certainly been driven by Covid. However, as I said in response to the convener, we were already seeing an increase in activity in the current session of Parliament compared with the previous session. In essence, the corporate body has, on an on-going basis, been seeking to address those workload pressures, which undoubtedly are driven by the expanding powers of the Parliament. We have made changes to the expenses provisions, and we are making a substantive change to the staff cost provision.

In a sense, the corporate body looks to undertake these reviews leading into the next session to allow that increase to be accommodated. Ultimately, however, the decision about the extent to which any member uses the full allocation that is available and how they use it is a matter for them. As Michelle Hegarty said, particularly for new members, it is important to provide some advice about how they might go about that. As colleagues will know, it takes time to recruit staff and train them up, so that process will not happen immediately after the election; it will happen over a number of months, and the support needs to be in place to help with that. Ultimately, it will be MSPs who take the decisions on that as they see fit.

Alexander Burnett (Aberdeenshire West) (Con): My question is on the same area. Most people will be pretty shocked by the overall request for a 17 per cent increase in the budget, most of which comes in the staff cost provision, as you pointed out. I have absolutely no issue at all with normal pay progression and salary increases to cover inflation, and I echo the comments of the convener in his opening remarks about the work of parliamentary staff and how well they have done over the past 12 months in particular.

My question follows the one that Jackie Baillie asked about the provision for an extra staff member for casework. What detailed analysis have you done to reach the conclusion that you have reached? I am sure that many of us have experienced more cases, and more complex cases, but have you done any analysis of why that is occurring and the types of case involved? Are they all Scottish Parliament cases? A lot of council issues are raised with members as well.

There are big differences between the casework for constituency MSPs and that for regional or list MSPs. A university study that was done in the past 12 months asked questions about that and

produced a report that showed that constituency MSPs had a fourfold greater workload.

Has any analysis been done of why more casework is coming to MSPs and whether that is a result of reductions in funding to other bodies that provide assistance, such as citizens advice bureaux? Are you saying that the analysis that you have done in reaching that conclusion is simply to ask MSPs whether they are busy with casework? Has any full analysis been done?

Liam McArthur: Those are entirely legitimate questions and ones that we have been asking. There is probably a limit to how far we can drill down into the granular detail in every instance but, over the summer, we undertook a pretty comprehensive consultation with members and staff across all the parties and across the country to try to gauge the level of the problem.

As John Mason highlighted, some MSPs, even if they had seen an increase, felt able to manage that within capacity, perhaps by juggling roles in their offices, but other MSPs were overwhelmed. There are different reasons for that. The nature of the cases that are being raised will be very similar across the country, although the breakdown between MSPs might vary slightly. If I were to give a cross-section of the casework that I have received in the past nine or 10 months, I think that it would be a pretty faithful echo of what Alexander Burnett and other colleagues have seen.

All of us who have been involved in carrying out casework will know that it is a truism that, the more casework you do, the more you generate. If you are successful in helping people, word quickly gets around and you find yourself the recipient of more casework, a lot of which might be very similar.

The drivers for that are many and various. We have sought to put in place something that is evidenced by the consultation, which showed that the issue is in the area of casework. The workload pressures in Parliament of parliamentary scrutiny and business—including in relation to Brexit, as I was discussing with the convener—have undoubtedly increased. However, those pressures seemed to be more manageable than what we have seen as a result of Covid.

Again, you are right in saying that caseloads will probably vary between constituency and regional MSPs—those who have been both will certainly testify to that. However, it would not necessarily be helpful to create a system that did not acknowledge that many regional MSPs could see a significant increase as well. If they were managing that within their own resources, one would hope that they would take the prudent decision to employ the staff that they needed. Members can employ additional staff or increase

the hours of existing staff if needed, and those who do not feel that they need the additional capacity are under no pressure to avail themselves of additional resources.

The Convener: Fulton MacGregor has a supplementary question.

Fulton MacGregor: I want to follow up my colleagues' questions. It is fair to say that it is not just about offices' capacity to cope—in the fullest sense of the word—with existing staff. Other things have to be taken into account. For example, annual leave has not been taken because, for most of the year, there has been nowhere for folk to go. That has led to difficulties for MSPs and staff, as I know from my own situation—and others will be the same. You say to your staff, "Just take some time off. You are not going anywhere, but take some time off," but because they will have to stay at home, that is difficult for them and they do not want to do it. Also, many staff have a sense of loyalty to their MSP and of loyalty and commitment to the job and constituents.

These are complicated situations, and the roles cannot be compared with many other roles. How were those factors taken into account in your decision? As others have said, we are rightly scrutinising why the decision was made. However, the reverse could also be true: had the decision not been taken to support staff further, would we not be sitting here asking, "Why not?", and scrutinising it from that side?

Liam McArthur: We were very alive to those issues. The requirement or expectation that staff would work from home created additional pressures with regard to home schooling and caring responsibilities, for example. Even where staff were able to continue carrying out their roles, they were not necessarily able to fulfil those to the same extent as in normal times.

You are right that the issue of leave was hugely problematic for many MSPs. However, the fact that people cannot go away on the holiday that they had planned is not a reason not to take leave. I know from experience in my office that it is sometimes difficult to persuade staff members that their taking leave is not disloyal or leaving you in the lurch and that, in fact, looking after their wellbeing and taking a break from their workload ensures that they can come back refreshed and able to provide the assistance that you and constituents need and expect at this time. It has been a difficult balance for members.

Previously, the corporate body took the decision to vire, in a sense, some of the underspend on travel and accommodation to provide additional resources to members who needed it to pay off annual leave entitlements or to provide temporary additional capacity to allow leave to be taken.

As the SPCB, we have a duty of care to Parliament staff generally. As individual MSPs, we all have a duty of care to our staff and to ensuring that our staff do not feel under any undue pressure not to take leave entitlements that are due to them or not to fulfil other responsibilities that are placed on them, such as home schooling or caring. We need to be cognisant of all the pressures that are brought to bear on our staff—pressures that are undoubtedly being felt by the population more widely, too.

10:15

Fulton MacGregor: Could I ask another quick supplementary question, convener?

The Convener: I am conscious that there are only 30 minutes left, but a quick supplementary question is fine.

Fulton MacGregor: I agree with Liam McArthur's response to my question. The uplift is justified because it helps us to achieve all those aims.

My final question follows on from Alexander Burnett's line of questioning. Was any comparison made between MSP offices and MP offices? I apologise if I missed something that has already been said about that. It is probably not information that you can get hold of, but it is another really interesting issue. I have only anecdotal information, from speaking to colleagues in different parties. Did the corporate body take that issue into account?

Liam McArthur: Yes. We have tried to use benchmarks from other legislatures, such as the House of Commons or the Welsh Assembly. It is difficult to make direct comparisons, because we focus on one aspect—either salaries or allowances—in isolation and do not take into consideration other aspects, such as pensions.

We have tried to look at those benchmarks but, as I said to Alexander Burnett, we try to evidence what we have seen by way of workload. The previous change to the staff cost provision brought in general bands and job descriptions to try to provide a degree of consistency across the Parliament in the functions and roles that were being performed and the salaries that were being paid in accordance with that. This latest iteration of that process recognises that the expanded workload is likely to remain a feature, and MSPs need to be resourced to deal with that.

We have tried to reflect on other legislatures, but always with a bit of a health warning that direct comparisons of one aspect without taking into consideration other aspects can be a bit misleading.

Patrick Harvie (Glasgow) (Green): Good morning. There has been quite a lot of discussion about the staff cost provision for MSPs. I want to ask about the relationship between that and the office cost provision. MSPs who have larger staff teams in the next session will not be able to choose to take on more space in the Parliament building, and there are parts of the country where it is difficult to rent an adequate office within the available budget to meet the existing needs of MSPs' local staff teams. If we are asking MSPs to locate an extra member of staff within their local teams, that may be an additional pressure.

The flipside is that newly elected members may decide that they are not going to bother opening an office in May or June. They may decide to give it a few months and see what happens with the coronavirus restrictions and whether people are still working from home. They may want to use their office cost provision to meet staff members' broadband or other costs, for example.

What assumptions is the corporate body working to on the impact of the office cost provision, either in the first few months of the set-up phase for new MSPs and their staff, or as we see the coronavirus restrictions through over the coming months?

Liam McArthur: I am tempted to accuse Patrick Harvie of having eavesdropped on the SPCB's most recent meetings. The point is fundamental. We saw an urgent need to respond to the significant increase in workload for a majority of members in different parts of the country, which is why we took the decisions that we did in relation to, first, the £5,000 as a kind of interim measure and then the staff cost provision increase that we are discussing now, as part of this budget.

We have acknowledged that there are potential knock-on implications for the office cost provision that are, in a sense, baked into the bid for next year, and we are in the process of trying to work through those. At the moment, they are unknowable. Patrick Harvie's examples of decisions that individual MSPs might take illustrate the difficulty in nailing down the likely consequences.

We are cognisant of the fact that increasing the staffing resource in a Parliament building that often feels constrained in terms of the space available could give rise to problems. Similarly, there are already members who struggle to secure the type of constituency office that they would like in different parts of the country, and we have tried to respond to that as well. We have not come up with any hard-and-fast conclusions because we do not know what the implications are likely to be across the Parliament. That will be for the corporate body in the next session to—[Inaudible.]

Patrick Harvie: I recognise the uncertainty, but some clear advice needs to be given to new members as soon as they are elected. That advice might be that it is sensible to hold off and not open a local office until people can work in the office. It might be that they should leave their options open because they might want people working from home in the long term, beyond the coronavirus context. It might be that they should open an office as soon as they are elected, when they might be able to get a lower rent and lock that in for the whole parliamentary session. Will the SPCB be in a position to offer clear advice to members in time for the start of the new session?

Liam McArthur: That is the intention, as part of the induction. Michelle Hegarty spoke about that earlier. Part of the advice would be that, as we have seen in this and previous sessions, rushing to take such decisions can often lead to MSPs getting locked into agreements that they rather wish they had not made. Such advice will certainly be part of the process. There may be examples of where it is beneficial to open an office early on because of the rental costs that are available at the time, but if constituents are not allowed into the office and there is still an expectation that staff will work from home, it looks as though that would be a bit of a sunk cost for no real benefit.

Michelle Hegarty: As we usually do towards the end of any session of Parliament, a wider review of expenses has been done—it was published for members early last year, before we undertook the staff cost provision review. The intention was to amalgamate some of the different provisions within the expenses review and move to an office cost provision and an engagement provision.

There will be flexibility within those provisions, so that, at certain points of the year, members can vire money from one to the other, within the overall capped amount. For example, if you felt that you needed to spend more on your property costs, that flexibility would be feasible under the new expenses review provisions. Similarly, if you wanted to spend more on the engagement aspects, there would be points in the year when you could do that. That will give members additional flexibility in relation to the office cost provision.

In addition, members have always been able to go, by exception, to the corporate body if they are struggling to rent an office that meets their needs in a certain location. That has been retained, although we have slightly changed the approach away from the percentage to a small set amount. We are going to do more to promote that provision, because in the expenses review we found that a lot of members did not realise that that flexibility via the corporate body existed.

A good point has been made about the increase in the staff cost provision. We do not yet know how that will be taken up by members—whether it will be used for more staff, extended hours or increased pay. We have agreed with the corporate body that, once we have seen the nature and shape of how that shakes out in 2021-22, we will come back and advise on whether to adjust the office cost provision in light of the impact of the staff cost provision.

Finally, I will pick up on the point made by Patrick Harvie and Liam McArthur that working from home is likely to continue in some shape or form post the current working environment that has been forced on us by Covid. The investment in infrastructure, support, training and capability to enable people to work from home could have upsides in terms of increased flexibility. We expect that, like Parliament staff, members' staff might also want to work from home, where business can accommodate that.

Patrick Harvie: That is all helpful.

Finally, given the expectation that there will be a larger number of MSP staff across the whole Parliament, can I get an assurance that the knock-on costs of that that fall outwith MSPs' budgets and are paid for by the corporate body—such as information technology, staff training and wellbeing—are being taken into account as well?

Liam McArthur: Absolutely. I think that we are seeing a more efficient way of carrying out the training. On IT costs, we are moving to a more cloud-based system, which provides access anywhere and at any time. That move is already under way and it will continue, allowing us to bring down costs and also to—as you rightly say, Patrick—respond more effectively to the demands of MSPs and their staff for such support.

Patrick Harvie: Thank you.

The Convener: We have just over 15 minutes left. Gillian Martin is next.

Gillian Martin: I will make my contribution short. It leads on from the convener's question about increased provision in the Parliament staff—particularly in clerking and SPICe personnel—to deal with Brexit.

The Parliament is going to have to deal with another long-term issue because of the drive to net zero and the challenges that have been set by the Scottish Government and the Climate Change (Scotland) Act 2009. Not just the committee that I convene—I will not make my question about that committee—but committees across the board will be required to factor those challenges into their scrutiny. As it stands, there are probably limited personnel in SPICe with the expertise to do that, because traditionally just one or two committees

dealt with that aspect of things. That resource might need to be widened if we are to scrutinise those goals properly. Have the net zero ambition for the country and its scrutiny in Parliament been factored into the Parliament's staff costs in terms of the expertise that will need to be readily available to us over the next five or 10 years?

Liam McArthur: That is an excellent question. The SPCB has had an opportunity to engage with the Environment, Climate Change and Land Reform Committee in some initial thinking on that matter, but it is fair to say that it is still at an initial stage.

We have been pleased with the progress that we have made to date in achieving the environmental objectives that we have set, but there is no doubt that what is to come is going to be considerably more challenging. It is going to require significant additional resource in terms of both capital and expertise. Going back to the response that I gave the convener earlier, the needs of the Parliament and of members for expertise in particular areas, in relation to the constitution and Brexit, was absolutely compelling and it remains so.

We do not really know how and whether those needs will shift over the next couple of years. What we know is that we will have to scale up the expertise that is available to the Environment, Climate Change and Land Reform Committee and its successor committee—and, more generally, to members and the Parliament as a whole—as we try to chart a way to net zero for the Parliament. We are under no illusions about the fact that, given the institution that we are, there will be a spotlight on how we meet that challenge, so we must ensure that we have access to the necessary expertise.

10:30

Not all that expertise will be in-house. As we have seen with Brexit and a range of other areas, the ability to tap into academic expertise through the relationships that SPICe has developed with the academic community in Scotland has been beneficial. However, it is clear that we will have to scale up clerking and SPICe resources, as well as other resources across the Parliament, as we did in the context of Brexit, to meet the challenge of achieving net zero.

Gillian Martin: I want to mention two issues to do with our current status of being outside the European Union. First, the UK Withdrawal from the European Union (Continuity) (Scotland) Bill says that we must keep pace with EU standards such as environmental and workplace and employment standards. Secondly, the UK Government has significant powers that will have

an impact in devolved areas. We will need to keep a watching brief on what is happening in the EU and in the UK Government that might have an impact here. Is that factored in when you consider the expertise that is available to us and SPICe? Such expertise will be a long-term, permanent requirement; it will not be a case of bringing in academics in the short term, as and when required.

Liam McArthur: That is a fair point. This discussion is a little like the one that we had about the expertise that was needed to enable the Parliament to undertake its scrutiny functions in relation to Brexit in that it is slightly difficult to gauge the extent to which there will be an on-going requirement for expertise as opposed to a short-term, temporary requirement. For example, someone's expertise in the environmental sphere might be very broad, but I suspect that we would very often find that we needed highly specialised expertise in a particular aspect of environmental law, which a more general expert might not be able to cover. The difficulty will be in deciding when to make a role more permanent, bringing in a couple of individuals to perform particular functions, and when to have people on short-term and time-limited contracts, albeit that those contracts might be for as long as three or four years.

I am not sure that we are clear yet about what the need will be. It is therefore not reflected in this budget, although undoubtedly it will have to be reflected in future SPCB budgets. On-going dialogue between the SPCB and the ECCLR Committee will be key in that respect.

Gillian Martin: You alluded to the use of short-term contracts in the Parliament. People who are brought in on a short-term basis potentially end up being here for longer. That happened in the context of the implications of EU exit. Will current short-term contracts be reviewed and will some posts be made permanent, given the situation that we are now in?

Liam McArthur: That is a fair point, too. Three years ago, the corporate body took the decision to scale up the expertise that was available among the parliamentary staff over and above what was being accessed through other means. A review in the summer made it perfectly clear that there was an on-going need in that regard, so we extended contracts for a further two years. I appreciate that such an approach can be unsettling for the people in those roles even if they understand the rationale behind it.

It is also an area of expertise that is highly sought after at the moment, so recruiting to and retaining people in those roles is difficult—we understand that. As I said to the convener earlier, I hope that the incoming SPCB will be in a position

to advise the successor Finance and Constitution Committee, in the next parliamentary session, on the extent to which some of those roles can be made more permanent, because we know that that expertise will be an on-going requirement for MSPs and committees.

Dean Lockhart (Mid Scotland and Fife) (Con): I appreciate that time is tight, so I will keep my questions brief.

Good morning, Liam. Thank you for joining us. In your opening remarks, you said that, for legislation and other matters, this has been the busiest parliamentary session since devolution. You will remember that, just before Christmas, we had a committee debate about the impact of further scrutiny powers coming to the Parliament in the post-Brexit environment. There was consensus in the debate that, as a whole, the Parliament—SPICe, legislative teams, committee clerks and other areas—requires more resource. On that matter, I agree with what Gillian Martin said.

Will you talk us through how the consultation exercise with MSPs might work? There is a broad consensus that more resource is required across those areas, but it would be great to have a consultation and engagement exercise with MSPs after the election, so that the corporate body has a full view of what MSPs think will be required. There might be differing views: some MSPs might think that a temporary shift of resource is needed, but my view is that we are looking at a step change in the level of additional resource that is required. It might not be for the current corporate body to undertake the MSP consultation exercise, but it would be good to get your thoughts on how extensive it should be.

Liam McArthur: I entirely accept that what we are seeing is not a temporary blip. As I said, over successive parliamentary sessions, we have seen an upward trend that has continued through session 5, and there is every expectation that the trend will continue on that trajectory.

The corporate body has benefited from the engagement that we have had with this committee, the Environment, Climate Change and Land Reform Committee—Gillian Martin's committee—and other committees. In the next session, the corporate body will be keen to consult members as widely as possible. However, if a large tranche of new members arrive in the Parliament, it might be a bit unreasonable to expect them—certainly in the initial stages—to have a 360° view of where the pressures are and what additional resources might be needed in clerking, SPICe or elsewhere, whereas the committees have a clear understanding of where the gaps are and where additional capacity might be needed. That consultation will certainly need to

continue. It has started, and the review is on-going—the extension of the Brexit support for an additional two years was made as a result of the review and a consultation with members—and I hope that the incoming corporate body continues that process.

We do not sit in isolation from what is going on in the Parliament. We can only draw on the experience of other members, staff and stakeholders who engage with the Parliament. I hope that decisions are informed by as wide a consultation as is possible and practical.

Dean Lockhart: Gillian Martin mentioned on-going work and research on, and support for, climate change activities. The 26th conference of the parties will take place in November this year. If it goes ahead as planned, it will be a significant event, and a lot of support will be required for related debates and other types of event. Has resource for activities that will support COP26 been factored into the budget for the coming year?

Liam McArthur: We are in the early stages, but the general answer to that question is yes. The granular detail is still being worked through. Michelle Hegarty might have something useful to add about where that work is at.

Michelle Hegarty: Before the pandemic, we were planning for the event that would have taken place in November 2020, which was going to involve significant engagement of members and, potentially, their attendance at COP26. It has taken a bit of time to understand how the event has evolved and what will happen in November this year. Plans are currently being developed, but we have made provision in our events budget on the basis of the plans that we had already made. We are still working through the detail of what will happen on the ground in November and what can take place in the Parliament.

Dean Lockhart: That is helpful. Thank you, both, for those answers.

The Convener: That is the end of the evidence session. I thank Liam McArthur and the officers from the Parliament. Liam McArthur provided a lot of detail, for which we are grateful. That was the final item on the agenda, so I close the meeting.

Meeting closed at 10:41.

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