OFFICIAL REPORT
AITHISG OIFIGEIL

Finance and Public Administration Committee

Tuesday 14 March 2023

Session 6

The Scottish Parliament
Pàrlamaid na h-Alba

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FINANCE AND PUBLIC ADMINISTRATION COMMITTEE
8th Meeting 2023, Session 6

CONVENER

*Kenneth Gibson (Cunninghame North) (SNP)

DEPUTY CONVENER

*Daniel Johnson (Edinburgh Southern) (Lab)

COMMITTEE MEMBERS

*Ross Greer (West Scotland) (Green)
*Douglas Lumsden (North East Scotland) (Con)
*John Mason (Glasgow Shettleston) (SNP)
Liz Smith (Mid Scotland and Fife) (Con)
*Michelle Thomson (Falkirk East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Professor Paul Cairney (University of Stirling)

CLERK TO THE COMMITTEE

Joanne McNaughton

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Finance and Public Administration Committee

Tuesday 14 March 2023

[The Convener opened the meeting in private at 09:30]

09:50

Meeting continued in public.

Effective Scottish Government Decision Making

The Convener (Kenneth Gibson): Good morning, and welcome to the eighth meeting in 2023 of the Finance and Public Administration Committee. Our first agenda item is an evidence session with Professor Paul Cairney to inform our inquiry into effective Scottish Government decision making. Professor Cairney is a professor of politics and public policy at the University of Stirling and an adviser to the committee. As part of our inquiry, the committee commissioned Professor Cairney to provide a research paper on effective Government decision making, which has been shared with committee members. I welcome Professor Cairney to the meeting.

Before I invite Professor Cairney to make some opening remarks, I pass on apologies from Liz Smith, who is unable to make it to the meeting.

Professor Paul Cairney (University of Stirling): I will spend a few minutes talking about the headlines of the report. I cannot claim that I anticipated all the submissions to the committee and wrote my report before they were received, but I just want that suggestion hanging in the air.

It is useful to talk about the submissions first, because my assessment is that they all contribute to a two-part story. First, there should be clearly defined steps or stages to making decisions, and Governments should use well-established and rigorous decision-making tools. Lots of the submissions call for some kind of systematic policy making in theory. Secondly, most of the submissions contribute to the general idea that people have had disappointing experiences of unfulfilled reforms and implementation gaps. An absence of systematic policy making in practice was identified.

I do not know whether the committee got the same impression, but I think that the context is a general cycle or pattern of assessment relating to the gap between what people would like to happen in the Scottish Government and what actually happens.

My report asks whether those problems are specific to the Scottish Government right now or at any point in time, or whether they are more general and systemic, with the expectation that they would exist with any Government. It asks whether we can separate specific Scottish Government issues from general expectations about a Government.

On the first question, almost all theories and studies of policy making suggest that there is an in-built gap between idealised models of policy making and real-world processes. That is, in part, because policy makers never fully understand the problems that they face or never really control the policy process in which they engage. Therefore, they must be pragmatic in recognising those limits but, at the same time, they have to tell a story that they are in charge, because that contributes to their image of governing competence. Particularly in Westminster systems, I think that it would be really honest but disastrous for a minister to say, “I’m not quite sure what’s going on here. I can’t guarantee that, if I make a decision, it will be carried out.” However, that would be the truth.

There is a second ever-present issue. There is quite a long list of principles that Governments use when talking about effective government. I try to map my list on to the list that we started with, which includes transparency and so on. It is about ensuring accountability, preventing problems, avoiding power hoarding, co-producing policy, ensuring coherence, using evidence, mainstreaming equity and fairness and delivering public value. All those principles of effective government seem really sensible in isolation, but contradictions arise when we try to put them together.

Almost all the aims that I mentioned tend to be undermined when there is a strong focus on national Government elections and accountability, and the Scottish Government is no exception in that regard. I think that other committee inquiries have approached that issue. The short-term thinking that is associated with elections undermines preventative and anticipatory thinking, and the focus on power at the centre undermines the sharing of power with lots of other bodies, co-production and so on.

As I said, the Scottish Government is no exception, but there are Scotland-specific stories about how the Government deals with such issues. There is a story of policy coherence through things such as the national performance framework. There is also a story in relation to all the other principles. For example, the Scottish model or approach to policy making talks about

co-production, policy integration, equity, public value and so on.

There is always a familiar gap between the story that the Scottish Government tells about the coherence of the things that it does and its aims, and what actually happens. That approach involves the Government presenting really good aspirations for what it should do, but it undermines our knowledge of what the Government actually does and how it does it, and whether it has the policy capacity to do the things that it actually does rather than to fulfil the aspirations that it talks about.

That is the context for a possible learning example. I identified comparable places where there are some elements of decision making that might be worth learning about. In relation to the Welsh Government, there is the Welsh Centre for Public Policy, which provides good practice in the systematic use of external evidence for policy making. An enduring issue is that Governments do not have enough connections with research evidence from universities and other bodies.

The second example is the New Zealand policy project, which looks at how to formalise and make systematic the approach of giving good advice to ministers and assessing the extent to which ministers have been given good advice.

In each case, the question is whether the idea is to learn about specific initiatives, such as ones about giving better advice to ministers, or whether it is about situating the learning in a much wider and systematic perspective about the limits to a Government's powers. The former focus is very limited without the latter, although it is almost impossible to do the latter.

The Convener: Thanks for that very positive ending to your opening remarks. [*Laughter*.]

Your report brings into sharp focus the monumental nature of the inquiry that we have decided to embark on, because we could move in so many different directions. There is a clear difference between political rhetoric and reality. I mean that in the most positive sense. For a number of reasons—one relates to resources—politicians from all political parties are not always able to deliver on the ground what they seek to achieve.

We are focusing on how decisions can be made more effectively. When we speak to a number of civil servants from different departments next week, it will be interesting to find out whether there is a coherent decision-making structure in the Scottish Government, or whether some parts of the structure make decisions significantly differently from others. What is your experience of that?

Professor Cairney: There is an interesting distinction between civil servants who are currently in their job and those who have left their job. If you speak to those who have left, you will find that they are much more frank about the difference between the official story and what is actually done. In fact, they are much gloomier than I am—I am still quite an optimist.

However, when I have interviewed civil servants who are still in their job, they have, in essence, said, "Here is the Scottish approach, and here are all the key elements of it." If I am being honest, they also say, "It is better than the Westminster way of doing it." I guess that there is a general tendency to think that, as long as we are doing something slightly better than in Westminster, that is good enough.

The last time I carried out a lot of interviews, people talked about the preventative strategy, cross-cutting issues, long-term thinking and so on. I could identify pockets of good practice and things that they believed in and thought were working well, but it was difficult to get an overall picture of what they were doing. In essence, they were trying to identify good practice and scale it up, but they faced the usual problems when trying to do that.

The Convener: John Mason and I were members of the Finance Committee between 2011 and 2016, and we did a lot of work on prevention. There were a number of frustrations at that time. First, we can all identify good approaches to preventative spending, but it is extremely difficult to get the resources to disengage from delivery models that are not working particularly effectively. Secondly, everything that we do is, of course, within the hothouse of the chamber and the media. Everything is measured by the number of nurses, the number of police officers and so on rather than necessarily by outcomes at the end, although there are attempts across the board to have more focus on those outcomes.

We understand that there is no perfect delivery system. In your introduction, you say that Governments can aspire to do wonderful things but that there are innate contradictions. For example, involving a number of partners in the decision-making process can conflict with strong central decision making and a decisive ethos so that people outside can see where their Government is heading and what it plans to do.

10:00

I suppose that it is about trying to look at the least imperfect system. In the report, you look at New Zealand in some detail including, for example, how New Zealand might own some of its failures of policy—although I think that the Opposition will do its best to point that out without

any Scottish Government involvement being necessary. You also point to some of the successes in Wales and what is being done there.

Although they are in the report, would you talk to a couple of those examples for the record? Also, can you go beyond New Zealand and Wales to talk about where else we could look at. There are international models of delivery. Are there other areas that you think the Scottish Government—and, indeed, this committee—could look at?

Professor Cairney: Wales is the most obvious comparison, because the Welsh and Scottish Governments tell a similar story of what they are doing and what they want to do. There are examples of parallels. The Welsh Assembly passed legislation to put on the statute book a long-term or future-generations approach in which it would try to systematise long-term thinking to challenge the short-term approach. The Scottish Government or Parliament has similar ambitions but without the legislation. To be honest, I am not sure what difference having the legislation makes apart from, for example, obliging particular people to report on progress at particular times. I do not know whether it is any more than that.

The other thing that Wales has formalised a bit more as part of its ambitions is meetings between policy makers and the people who are described as their stakeholders or partners. There was quite a list of formalised councils or partnerships that had to meet every so often in a way that was less informal than what happens in the Scottish Parliament.

The Wales Centre for Public Policy is interesting for me as an academic because there are a huge number of initiatives to bring together people who make policy and people who provide research that might be policy relevant. It is a usual gripe in universities that the connection between those people is quite weak and that policy makers often do not know which academics they should speak to, far less speak to them very often. Wales seems to have a system in which it has an enduring way of doing that, which is recognised by the First Minister and that sort of thing.

My impression is that the kind of project that New Zealand has needs high-level elected Government buy-in but that it is driven largely by a civil service improvement agenda or a unit within the Government. They identify what they think they should be doing, what skills civil servants and agencies should have and the extent to which they are living up to their ambition and they have annual reports on progress. A thing that struck me, which I am trying to think how much the Scottish Government could emulate, was the openness. Ministers are asked to reflect on the advice that they have had from civil servants and give them a kind of scorecard on progress.

The Convener: I wonder how that would work here, in reality. It depends on who is doing the scoring.

Professor Cairney: Yes. In the United Kingdom, at least, I think that that used to be, traditionally, the most protected and secretive aspect of government. Civil servants would say that they can give good, frank advice to ministers only if they know that it is not going to be reported or talked about. There would be issues to overcome about what exactly is involved. Are they giving a general assessment and can they avoid talking about very specific things?

There are lots of examples. I was trying to give you a sort of shopping list of other things. There are organisations that do benchmarking exercises on what it means to be effective, such as the World Bank and the Organisation for Economic Co-operation. If you were to go down that road, the issue for me, as a political scientist, is that a lot of organisations present those as if they are quite technical, so they can be scored and they are non-controversial. However, each one of those, when you try to make sense of them, can be quite contested because they involve trade-offs. For example, a strong central capacity may mean less strong decentralised capacity, so the measures really matter there.

I think that the Scottish Government bought into the idea of public value instead of new public management. I do not know how many times the Government has done reviews of its public management and that sort of thing, but the ideal, especially in Westminster, used to be that private sector business methods were applied to Government. You would try to have as small a state as possible, and the state should be subjected to those methods—or, to use a more neutral phrase, those methods should be applied to the state—to ensure that people are accountable for what they spent, that agencies are accountable for their performance and that sort of thing.

The Scottish Government has certainly taken the line that it is much more interested in the notion of public value. That is much more positive about the role of Government, which is not seen as something to get rid of or minimise. The Scottish Government sees the delivery of public value in a wider sense, and it follows three tests in that regard: first, whether something is politically and legally feasible; secondly, whether it can be delivered in a technical sense; and thirdly, whether it delivers value not only to people who receive services but to citizens in a wider sense. There is a huge number of studies of Governments that have pursued that type of thing, and studies of individual organisations that are so-called guardians of public value.

One of the jointly edited books that I mention in the report contains a case study of the BBC as a guardian of public value. That reminds me that some organisations or Governments seem to be successful for a certain amount of time, and can then suddenly jump into another category. Our learning has therefore to be quite agile, with regard to their reputation for doing well and how much scrutiny they receive.

The Convener: I mentioned the BBC to colleagues before the public session started. It is quite easy for reputations to disappear or be damaged almost overnight, to a degree.

I am jumping about a bit here, because the report is so interesting—I could spend the whole time asking loads of questions, but colleagues will want to come in, and they always get narky if I take too long at the start—I think that John Mason may agree.

You say in the report that the new public management approach did not succeed even according to the objectives that it set for itself, which is an interesting point.

I will highlight one of the issues. We can have all the great theories that we like and all the structures that we want to implement, but the important thing is to have capacity. You ask,

"Does the Scottish Government have sufficient policy capacity?",

and you look at generalist civil servants versus specialisms. You talk about leadership training and how much capacity exists even outside the civil service for Government to tap into. You also mention

"the risk of ineffective government when policy capacity and training does not live up to the Scottish Government's ... expectations"

and the expectations of the people whom it represents. Where are we at with capacity, and what could we do to improve and enhance it?

Professor Cairney: There are a couple of things. One involves trying to identify clearly what the Government's purpose is in order to identify what the capacity should be.

I suppose that I am thinking about what training could to be given to people in the Scottish Government when they start in relation to what the Scottish Government does, and that is not entirely clear. The Government has training in generic areas—for example, in procurement and delivering public services—but it does not have training courses on giving good advice to ministers and things like that. It is important to work out what exactly the Government sees people doing and, therefore, whether the training matches that.

There are also contradictions. For example, what if the Scottish Government, on the one hand, says that it is focused on senior civil service advice to ministers about what strategies they should set, while on the other hand, it wants to decentralise to a lot of other bodies? Does the capacity follow that decision? For example, if it says that a local authority should do more, does it then delegate the resources to do that? I suspect not.

There is another particular issue with smaller Governments. This was truer at the start of devolution, when the Scottish and Welsh Governments had huge ambitions and ideas with regard to the set-up of new Assemblies and then found that they did not have the civil service capacity to help them produce the legislation. Certainly, Scottish Government ministers would talk about civil servants not being equipped for the task of making these radical changes.

Things might be different now, but there is still a sense that the smaller the Government, the more it will rely on outside bodies for information and advice and on delivery bodies to help it make and deliver policy, in a way that you will not get with, say, a larger Westminster Government, which will be much more confident of having the capacity at the centre to produce policy and to try to oblige people to follow it. As far as the culture of an organisation is concerned, therefore, there is a size element with regard to what it thinks that it should be doing and how much it will rely on outside organisations for help.

The Convener: That said, you have also made a number of criticisms of the UK Government, which we will not go into here. I note, though, the issue of diseconomies of scale with regard to decision making and your comment that, because of their relative size, Wales and Scotland perhaps have a greater opportunity than the UK to work in partnership with stakeholders.

I have one final question before I open things up. In the last sentence of your report, just before the references, you talk about

"how the Scottish Government could change in relation to what is feasible rather"

than

"restate the value of simplified models that do not exist."

What would you change in that respect?

Professor Cairney: Ah, that is a classic academic flourish.

The Convener: Well, the floor is yours.

Professor Cairney: To be honest, I have given up—[*Interruption*.] That was not the end of my sentence.

The Convener: “I have given up” is not a good start.

Professor Cairney: It is quite hard to imagine what that would look like because it is, in a sense, so outlandish. If everyone was being honest about what they did, you could take quite a pragmatic approach to Government by setting limits and identifying who you could rely on and then trying to attach capacity to particular things. The dilemma, though, is that very few members of the public will buy that story and Governments saying, “We’re not quite sure if we can do this stuff.” It is difficult, because essentially it involves designing two sides of the same coin. One will be the public-facing side, in which the Government will say, “We are highly competent and we’re delivering on our promises,” while the other, more inward-facing side will be about what can be done, the core skills that can be developed and so on.

This sort of thing might start with an internal reflection on what exactly Governments do and what, exactly, are their processes. I would like some comparison to be made between what would be a really simplified policy cycle and how people within Government describe what they do, and then some attempt to work out how to make the things that they actually do more effective. It is difficult to know what the second part of this would look like, because it is so difficult to work out what civil servants or ministers think that they are doing in practice compared with what they then say to other people.

The Convener: Okay. I will now open out the session to Daniel Johnson, first of all, to be followed by Ross Greer.

Daniel Johnson (Edinburgh Southern) (Lab): Professor Cairney, your last statement neatly summed up the subject that I am circling around. Your paper is really interesting and excellent, but I wonder whether the bit that I am interested in is actually the next tier down.

I was struck by the fact that everyone in the group that I was in framed every decision as being either policy driven or financially driven. My experience of effective organisations is that the really important bit is what happens in between. To my mind, policy, in a business context, is about strategy and overall direction, while what are critical are the frameworks for delivery and implementation. I had hoped that there would be some examination of the decision making beneath all that. In other words, once the policy has been set, framed and determined, how and by whom are decisions captured and structured at the next level down? After all, that is very often where policy fails.

10:15

Am I barking up the wrong tree, or is there something in that? Does that area need to be better defined? It seems that people out there want to talk about policy and finances and civil servants want to talk about policy and finances. Is there an issue around a lack of definition and clarity about those day-to-day management decisions?

Professor Cairney: Yes. I will not talk too much about the Westminster comparison, but the classic response to that type of question from the UK Government over the decades was to try to establish a clear distinction between making strategy and delivering policy, to the extent that it set up different executive agencies that had their own chief executives. They were responsible for hitting targets that were associated with making policy happen.

In my field, it is almost a truism that there is no clear distinction between making policy and delivering it. For example, people make policy as they deliver it and, when people set strategy, they are quite general and often quite vague, and people have to make sense of it in particular ways. That is not like carrying out a simple task.

My impression of the informal discussions was that there are people who have really good skills in giving advice to ministers but they know nothing about carrying stuff out, and there are people who have really good technical skills for how to deliver things and project management but, if you separate those people too much and they do not speak to each other enough, there will be a terrible disconnect between what they are doing. Then there will be teams of people on projects, some of whom will give good advice and some of whom will know only how to manage projects.

There is an issue around what an organisation looks like when it tries to combine all those skills and whether it focuses across Government or on specific projects each time. I am not clear in my mind about how specialised the Scottish Government is, because the tradition is that generalist civil servants move around a lot and do not pick up a specialism.

Daniel Johnson: To my mind, it is not necessarily about specialism; it is about who is responsible at what stage. There is a point at which we are all very clear about the framing of policy and its outcomes. Ultimately, the minister stands up in Parliament. That is relatively clear, but it is about the individual bits.

We are all trying to avoid specific examples, but there was a significant contract variation in the ferries contract that was documented by an email chain. That stands out as being not right—that is not how things would happen in a well-functioning

private sector organisation. In the financial services sector, you would find yourself butting up against all sorts of regulatory rules if you did that.

The issue is perhaps more about how policy is monitored, but is there also a point about roles? There was an interesting bit in our discussion about accountable officers. Is how the civil service captures who is managing the in-flight policy based on role rather than structure or process? Is that an area that we need to probe at more?

Professor Cairney: I reckon that I am the least knowledgeable person in the room about the ferries.

The Convener: Ferries are boats that carry people.

Daniel Johnson: And some of them are quite rusty.

Professor Cairney: It is clear that the Scottish Government deals with different policy problems that would be worth categorising. On the example that you gave, there are very specific issues on which there is probably high cross-party agreement—for example, on a certain level of ferry service that there should be and on that being funded, for example. The focus is very much on who is responsible for delivering the service well. There would be specialist roles there.

My impression is that a lot of Scottish Government capacity is focused on zooming out to wider strategic issues such as sustainable economic development, and then identifying a series of measures in health and education, for example. Ferries would not feature in that sort of broad strategy, because they would be seen as technical and specialist. However, if that is really the business that the Scottish Government is in—if, in essence, it has to become responsible for that kind of thing—you would imagine that it would make sense to recruit and train more people.

Financial procurement has set rules. I think that it is the same with legal training and legal advice. There are some professions in which people cannot get by by being a generalist; they have to be a specialist on particular things. However, it is very hard to piece together how many civil servants there are, what they do, and what their training is.

Daniel Johnson: I will leave it there for now.

Ross Greer (West Scotland) (Green): I am interested in the point that you made at the start about the Welsh Government's relatively systematic approach to external evidence gathering and the perception that the approach is perhaps not as systematic here. I am trying to reconcile that with some of the criticism that has been put the Scottish Government's way about its externalising too much of the policy development process. The most recent high-profile example was the criticism that the national care service came under for being, to a significant extent, a production of KPMG, because the contract for that bit of policy formulation was awarded to KPMG.

Is it simultaneously true that the Scottish Government does not gather enough external evidence when it is doing internal policy formulation and that it outsources too much policy formulation, or is the picture a bit more muddled and there is not really a neat distinction because both can be true?

Professor Cairney: I remember something that was said by somebody who you might be speaking with—a former minister who talked about the use of consultants. In essence, he put that in the context of the number of civil servants that there were. He said that the problem with reducing the numbers of civil servants and quangos is that you reduce your capacity, and therefore you rely increasingly on external consultants for such work. That is probably a function of the size of the Scottish Government and its capacity.

The Wales Centre for Public Policy is slightly different. Perhaps this is an academic obsession that you do not have to worry about, but there is a sense that universities are increasingly incentivised to produce research and evidence that are relevant to Government. There should be a direct connection between that production and its use.

In the past, Governments have found it very difficult to work out how to make a systematic link with universities, but the Wales Centre for Public Policy is a bit different because it is a more general source of evidence on things, whenever that is needed. It identifies aims or particular topics and goes to an organisation and says, "What is the evidence on X, Y and Z?" That is a bit different from commissioning consultants to do specific aspects of work.

In Scotland, it is certainly true that there are lots of links between ministers, civil servants and outside organisations, but a systematic connection with universities is harder to find, for reasons that, to be honest, I cannot quite explain. That interests me. Why is it that those connections can be formalised in some places, but they are a little bit of a struggle in others?

Ross Greer: On a not entirely unrelated note, I will move from consultants to secondments. I would be interested to hear whether you have come across any evidence in that space. I will take the rural and environment portfolios as an example. I am aware that organisations that represent agricultural business interests have had staff seconded into Scottish Government departments to assist with policy making in those

areas. However, if you reduce things to a binary, the other side of those debates is the environmental non-governmental organisations. I cannot recall a single instance of a member of staff from an environmental NGO being seconded to those departments. In that particular scenario, that sometimes results in the agricultural business sector being broadly pretty happy with how the Government goes about its decision making and the environmental NGOs being broadly unhappy.

How much of the evidence that is out there and how many of the views that have been expressed about Government decision making are to do with process? How much of that is more representative of the responders' agreement with the outcome? Are people saying that they do not like the Scottish Government's policy making process because the outcome was not the one that they wanted?

Professor Cairney: I see what you mean. People say that when we talk about consultation. If they do not like the decision, they say that there has not been enough consultation, although the same process could have been followed, but those people lost out.

To be honest, I do not know the ins and outs of who has been seconded or not. In a lot of the submissions, there is more of a general sense that there is a lack of delivery in areas that everybody agrees on—for example, in reducing inequalities, delivering more joined-up government in certain areas, or gender mainstreaming. In lots of cases, it is not that people lost out in a debate between winners and losers; rather, not enough weight was given to, or not enough thought was put into, turning a broad aim into delivery. That is a bit different.

Michelle Thomson (Falkirk East) (SNP): Good morning. I thoroughly enjoyed your report. I have a daft wee question about something that tweaked my interest. You referred to Moore, who used the term "bureaucratic entrepreneurship". That struck me as quite the oxymoron. Before I ask my main questions, can you give me a bit more about what on earth he meant by that?

Professor Cairney: I think that Moore was engaging with the idea that, if you were a bureaucrat, you would not be an entrepreneur. I should say that I am not a big expert on public value, but the general idea is that the delivery of policy is never simply about the application of rules or expectations from ministers. There has to be an in-built capacity to interpret what they would want imaginatively and to think about how it would fit into the bigger picture. In that context, entrepreneurship would be about spotting windows of opportunity for doing things or making advancements in such a way that you would not necessarily have to go back to a minister and ask permission for that.

Moore was talking about the sense that public managers should have not just particular skills in delivery but skills to build their confidence so that they can be semi-autonomous people who would know what they were doing in the public sector, because they cannot rely on high-level strategic documents to tell them what to do. I would bet that 100 different articles have been written about the extent to which people have become entrepreneurs, or even how people are trained to do that. A lot of it is aspirational.

Michelle Thomson: There is an idea, linked to empowerment and accountability, which was brought up earlier. When I was reading your report, I thought about the cultural hierarchy within the wider decision framework being underpinned by relative power bases, which vary, depending on the seniority and power base of the relevant minister. That relates to where that minister fits into Government and the power base of whoever is the ultimate accountable authority. It would be useful to hear your general reflections on how that power can inhibit decision making, particularly in a wider context when a decision requires to be made quickly, which, as we know, also affects the processes.

Professor Cairney: I am going beyond my expertise and into general thoughts here. On paper, the Scottish Government, like the UK Government, has quite a hierarchical system in which ministers are essentially responsible for everything and civil servants cannot do anything unless it has been authorised by ministers in some way. There is a lot of discretion within that framework for civil servants to do things quickly or by thinking innovatively. However, my impression is that the incentives to take risks are quite low in comparison with the incentives for civil servants to make sure that their backs are covered.

That takes us back to the entrepreneurship theme. If you wanted to have a more dynamic, fast-moving Government, the civil servants involved would need the confidence that, if they took risks, they would not be punished for them. I do not know enough about this, but my impression is that there are rules within civil services about that, but they are informal and they come through socialisation. You would not get someone to come along and say, "Okay, here are the rules that stop people taking those risks." There will be high-profile issues that would be real career breakers for civil servants if they did something where they did not have a strong paper trail, for example.

10:30

Michelle Thomson: That is an interesting area for wider consideration.

In the committee, we keep quoting Rumsfeld in relation to "unknown unknowns". With regard to a Government making an honest assessment of its decision-making capabilities, I sense that there is a disconnect. You said that there is relatively little engagement with academics on best practice. To what extent do you consider it a risk that Governments do not know what they do not know? If they do not ask questions and engage with best practice and other methodologies, they will never know what they do not know.

Professor Cairney: I can see that. It is difficult to know what Governments do not know. I would settle for ministers and civil servants being clear about what they want to do. In relation to engagement with researchers and academics, there is the usual problem that people demand evidence too quickly. They want the evidence on everything that they are interested in, and they want an answer tomorrow.

Another problem is that Governments ask researchers quite vague questions. I will be careful how I say this, but let us imagine that a minister asked a researcher to give them all the evidence on effective government. First, the researcher would say, "You've got to tell me what you mean by that." It is not necessarily that Governments do not know what that means, but they need to be pushed on their sense of it and what exactly they want to know.

For example, by "success", a Government might mean that it wants a really transparent and accountable process, so it might want to know about best practice in that area. People could then give advice on that. However, it would be another matter if it wanted to know how to piece together a load of disparate things. I reckon that I could study this topic for another five years or so.

Michelle Thomson: You point out that, if civil servants were seeking clarity, they would need to know that the issue was considerably more complex than it might initially have appeared. That is part of the challenge in getting value from our inquiry. We need to understand the culture and the extent to which such activity is prevalent. Frankly, given what you said about risk taking, it is easier to just come back with a paper. We are talking about civil servants here, because ministers will take advice and accept advice. The issue is about not just capacity but the skills base among civil servants—you made a comment about being agile earlier—and continual improvement, because this is very difficult.

Professor Cairney: I am going to argue against myself, but Governments could take examples of what they have done, seek external evaluations of how things have gone and use those evaluations to think internally about what they would do differently next time. The reason why I will argue against myself is that, in a Westminster system, that is the last thing that Governments want to do. They do not want to put a lot of attention on evaluating how successful things were. There is no incentive for doing so because that process is never technical and is highly partisan.

We can imagine the civil service equivalent. Civil servants might think about what they can learn from a procurement exercise and whether the right people were involved in the contract. That would be relatively straightforward if specific individuals could be separated from the general process of learning.

Learning from the success of other Governments involves lower stakes, because people can say what they like in that regard. There is a lot to be said for a continuous process of learning lessons from others, because that reduces the stakes and the incentives for being partisan.

Michelle Thomson: I suppose that, if you are learning from other Governments, you can inquire about the difficult challenges. You gave the example of procurement. Although it is still complex in and of itself, it is easier to put it in a box and to define something as a procurement process.

I think that that is me finished. I could ask questions literally all day, but I know that other members will want to come in.

John Mason (Glasgow Shettleston) (SNP): Professor Cairney, your paper is full of contrasts or, some would say, paradoxes. Colleagues have mentioned a few, and I will mention a few more.

Under the heading "Fostering equity, fairness, or justice", you talk about the focus

"on efficiency, using economic tools … to identify how to produce the highest benefits from the same costs",

but you say that policy

"should also prioritise the fair distribution of costs and benefits."

Is it not possible to be efficient and fair?

Professor Cairney: Yes, it is. That is a whole university module on its own.

It is more that researchers who write about fairness will criticise their colleagues who focus on efficiency. They will say that the problem with the cost benefit models is that they assume that the most benefit for the population will be the best outcome when, in fact, you might want to redistribute some of those benefits.

You can imagine situations in which you have efficient and fair processes. People talk about that in education, where, to be efficient and fair, you should invest at the earliest possible point in a

child's life—early years education—and you should invest the least in university education, because the returns become less efficient over time. That is an answer in a specific area. Programmes such as sure start would say that it is efficient and fair to invest in a range of services from birth to five years old because the pay-offs will be far larger, so you can do it.

John Mason: So it is fairer to invest in all the kids aged two or three, but we still need some high-quality graduates and, therefore, to be efficient as a country, we have to invest. Is that the contrast?

Professor Cairney: It is such a difficult question because we have not defined "fairness" yet. I hate to be academic about it. "Fairness" and "equity" are intuitively appealing words.

Let us stick with the education example. Some people say that fairness means having an equal opportunity to access high-quality schools. Other people say that it is about equal outcomes after school. Those are fantastically different things. One of those views is that equal opportunity would be fair access, but you accept that there will be highly unequal outcomes and you will get some people who are graduates and some who are not. On the other hand, a focus on equal attainment overall would involve a high redistribution of resources to compensate for low income, for instance. You might describe that as not particularly efficient, because it involves using a huge amount of resources to help a small number of people, but you might say that it is fair, because it helps people who are most in need.

Terms such as "fairness" and "equity" are technical terms that are politically contested.

John Mason: I get that. We could spend ages discussing what "fair" is and so on. I will leave that.

Near the beginning of your report, under the heading "What do 'effective government' principles mean in practice?", you talk about the "wide range of ... ambitions" that we have in Scotland, and you go on to list some of them. Do we have too many ambitions? Is one of the problems that we are trying to do too many things?

Professor Cairney: To be honest, I tried to map my list on to the committee's one. I suppose that the more aims you have, the more incoherent they will be. I am trying to think which one I would get rid of. Would I get rid of "fairness", for example? Actually, if you wanted to do that, it is much easier to administer Government if you do not care about who wins and who loses. Would we get away with getting rid of the "preventative" aim, because Government, rather than being in the prevention business, is really in the reactive business? It is a tricky one.

To be honest, the one that I would get rid of is "coherence", because I do not think that that is a realistic ambition for Governments, given the way that they are set up. There is no single mind within Government to work out how it all fits together—it is essentially a huge collection of different people doing different things, and there is no way that they are going to fit together in a coherent manner. I reckon that we could easily get rid of that one.

John Mason: That touches on one of the other issues that I want to raise, which is mentioned later in your report. It concerns the idea of decentralisation, flexibility, collaborative working and all those sorts of things, as against setting a clear ambition for national accountability.

I suppose that I would feel that that is the case; you can either go too far one way or too far the other. If there is a clear, driving ambition from central Government, that means that local government and everyone else will get squashed. On the other hand, however, if you allow local government—or local health boards or local anything—to do whatever it wants, there is no coherence to that. I feel that, ultimately, that is impossible to square.

Professor Cairney: I think so, too. When you are an academic, you can just say these things and have your lunch, and that is fine, but if you want to actually do something about it, there are two things to note. First, I would avoid paying lip service to the idea of decentralisation and co-production, because they take a fantastic amount of investment. It takes a huge investment in time and resources to co-produce policy or knowledge well. If you scrimp on it, it is just a waste of time, and it will devalue the process. Whenever Government says that it will do that next, it will say, "Okay—we're just going through the motions."

Secondly, that area is an example of where the Scottish Government has done some work on what models would look like if it was trying to centralise and decentralise at the same time. It might point to things like collaboratives. There was an early years collaborative, which was an attempt to say to local government and practitioners, "We will train you in this method of learning about public service delivery and give you the discretion to do something. If what you are doing is working, keep doing it, and if what you are doing does not seem to be working, try something else." That is an example of giving people discretion in a particular field, and it is supposed to encourage learning within organisations about what they are doing, rather than having them simply seek to deliver.

I guess that you could ask the Scottish Government how those collaboratives went. My impression is that, in the beginning, the Government struggled to work out how it would

measure success. The first measure that it had was how many people came to the events to learn how to do that work—it declared that a success because it had filled a convention hall, or something. The bigger question, however, is how you measure the extent to which those organisations have learned from their experience and are doing things differently based on the learning. That is fantastically difficult.

I was an external examiner for someone's thesis on that. My summing up of that three-year piece of work was that organisations are not really learning. They are doing things and experimenting, but it is difficult to point to the changes that were promised through that method.

That is not to say that it is not a good idea; it is just that it is very difficult to find evidence that it is working that would satisfy people if they were investing more money in doing it again.

John Mason: Everything that you say leads to more possible questions, but I will ask you just one more. I go back to what you say in your report, under the heading "Responsible and accountable government", with regard to who the MSPs and elected members are. You say that there should be "a clear link between" how the citizens vote and members of Parliament, and therefore the Executive. I do not know whether we have that at the moment.

I am more interested in the second bullet point, in which you refer to

"The recruitment of elected politicians from a diverse pool of candidates, to boost the representativeness of parliaments in relation to social background."

We have tried to get a balance between men and women. What could we do to really get a cross-section of society in Parliament? Is that another impossibility?

10:45

Professor Cairney: No—I reckon that, out of the lot, that is probably the easiest one.

The tricky thing is that it is difficult for the Parliament to do that, rather than the parties. The issue has always been that it is largely party driven. The Parliament can give a sense of what it thinks that the overall composition should be, but it cannot direct the parties to make recruitment decisions, and that is the dilemma.

However, the Parliament can foster a culture. There was a recent report on gender-sensitive Parliaments, which could be used to foster a particular culture within Parliament and to set expectations for people so that they could measure what they do in relation to those expectations. There has been more success with getting a balance between men and women than there has been with, say, recruiting people from ethnic minority backgrounds—the Scottish Parliament has often done worse than Westminster in that respect.

It is certainly doable if parties have the desire to do it.

John Mason: Okay. I shall restrain myself from asking anything else.

The Convener: Yes—I, too, am restraining myself from coming in on the back of that.

Douglas Lumsden (North East Scotland) (Con): One of the areas that the committee will be looking at is recording and reviewing decision making. The impression that I got when we had our group exercise was that there were sometimes tools in place for that, but that maybe they are not often used or followed.

Daniel Johnson touched on the issue of ferries. My question is not really about ferries; it is more about recording who made the decision and then being able to review that later. Do you think that the Scottish Government is doing anything better or worse than other Governments on that, or is it doing about the same?

Professor Cairney: Honestly, I do not know. I could have a proper look, but I have not seen many comparative studies on how Governments systematically record what they do, so it is a tricky question.

Professor Matthew Flinders went into that a bit in his submission to the committee. He mentioned the trade-offs on reporting and said that Governments cannot record everything that they do all the time, so they must identify what the important things are, which should be written down, and what is unimportant. I have not seen Governments come up with a really good way of doing that. Maybe I missed something in the New Zealand policy project, which could give a sense of what to do there.

The impression that I got is that, essentially, Governments want to know what the big issues that will arise are, and then they can go back and record them.

Douglas Lumsden: That normally happens when it goes wrong.

Professor Cairney: Yes—when it goes wrong, they want to see if they can go back in time and do it. It is difficult to know the extent to which Governments can record what they do.

There is an impression that, when a specific piece of work is done, there is a model or tool that can be picked up and used so that the same thing is done each time, according to an excellent acronym or something like that. However, the thing that interests me is that if you were to ask

Government civil servants what tool they use or what image they think of when they are thinking of their processes, I am not clear which one they would go for.

With a legalistic process, such as passing legislation, there are clear processes at each stage, which are written down by the Scottish Parliament. I am not so sure that the same applies in the Scottish Government when it comes to projects; I am not sure whether a tool kicks in.

Douglas Lumsden: Processes have to be followed on procurement, for example, but I guess that the process is not clear for other areas.

Professor Cairney: I think so. A process would be followed on key aspects of procurement—there would be things that you would be expected to do, but there would be other things that would be unwritten.

The Convener: To wind up the session, I have three further questions to ask.

One of the things that I really like about your report is the wee take-home messages, which I think are quite helpful. In one of those, on page 16, you said:

"new ideas are applied patchily to established practices."

How could that be improved?

Professor Cairney: With my researcher hat on, I would say that that is another built-in thing. When Governments or ministers come in, the first thing that they do is inherit all the commitments of their predecessors, which means that, whenever they want to make changes, they must do so from that base.

For example, a Government that has inherited a new public management-style system with lots of measures for holding people to account for particular things might want to move to a more decentralised system with more capacity building, co-production and so on. I would say that there is no easy way to simply shift from one to the other. It is a reform programme. If someone asked me how long it would take to shift from one model of government to another, I would say that that kind of culture shift would take 20 or 30 years. I am thinking that it would be the length of a career; one approach would end when a cadre of professionals retired or something like that.

Now that I think about it, "patchy" sounds like a criticism of particular Governments. It is ad hoc and not particularly coherent, but I would see that as a routine feature of government, rather than something that I would identify as particularly problematic.

The Convener: To follow up on that, you refer on more than one occasion to the need to trust public service professionals, which is obviously fundamental.

On the other side, I know that, when the Scottish National Party Government came in in 2007, there was concern that there was not any buy-in from the civil servants who were there, who did not think that the SNP was gonnae win and that, if it did, it was gonnae last six weeks and that Tavish Scott, as was famously said, was gonnae come in. Of course, that did not happen.

Civil servants are appointed to ministers. That is not how we, as MSPs, recruit our own staff in our own constituency offices, many of whom we have known for years; sometimes we have not known them that long, but they tend to be much more open about their political views with us.

How can we build that trust in such circumstances? Personal relationships are obviously key, but how can we do so on a broader basis?

Professor Cairney: I will make a couple of points. I think that the term "public sector professionals" is wider than that, because it could include medical, legal, educational and social work professionals and suchlike.

There is always the comparison with Westminster, and the criticism within Scotland of UK practices was that there was too much top-down direction and too much constraining of people delivering policy; there was a feeling that people who are highly trained and professional should be allowed to do their jobs well.

On the civil service, one of the benefits of the story that they tell is that civil servants clearly seek to carry out the policies of the Government of the day. They are therefore there to serve ministers. That story is quite useful, in that sense, in that they can legitimately refer to the rules of their service and, overnight, switch what they think they are doing.

There is a point at which senior civil servants appear to go too far. I forget the coverage, but I think that, when Sir Peter Housden was the permanent secretary, he made some public statements about being there to deliver on the SNP's independence agenda or something like that. He was criticised by some people for being too partisan, but I think that he would describe delivering whatever the elected ministers of the day are there to do as being part of his job.

When there is a change in the party in government, there is an expectation that, overnight, civil services will change what they think they are doing. It might not have been a very good process in 2007, but there is supposed to be a process whereby the civil service prepares for a change in Government and then says to ministers,

"Okay—here is how we could deliver on your manifesto."

The Convener: I think that, from a politician's point of view, there are some ministers who fear that they will be perceived as having a "Yes Minister" kind of relationship and that they will not be the ones who are running the show in their own departments, or that that is how it will sometimes be perceived. That can perhaps make relationships a wee bit difficult.

I will end on the "policy cycle" and "policy spirograph" images on page 17. Will you talk us through that a wee bit?

Professor Cairney: I apologise for the production values.

The Convener: It looks like a Cy Twombly drawing—if it was, it would be worth around $70 million.

Professor Cairney: I have been thinking about getting a spirograph to see if I could do it properly. It is supposed to suggest that, while the simplest image of policy making that Governments project is the idea that it is orderly and that one organisation is doing one thing at a time and doing it well, in fact, Government is about lots of organisations doing lots of things at the same time.

If you want to stick with the cycle imagery, which I would not, imagine that a huge number of cycles are going on at the same time and interacting in lots of unexpected ways. Something will emerge, but it will not have a particular bearing on what central Governments think that they want to do.

The starting point for a Government is to say to the public, "Here is our process. It is very simple and orderly. You know who is in charge and who to blame," whereas the starting point for the policy studies that I do is that there is no such thing as that orderly process, and that it takes a huge amount of effort simply to understand what Governments do, far less to try and improve what they do.

The Convener: I prefer a dodecahedron to a circular cycle. What you are really saying is that the system is three dimensional, but it is portrayed as being two dimensional.

Professor Cairney: Yes.

Michelle Thomson: I have a supplementary question. To what extent do the lack of rationality and the uncertainty, as depicted very effectively by your diagram, suggest that we should almost be applying chaos theory to decision making in Government? It is a serious question.

Professor Cairney: The academics would settle for complex systems. That is another university module. The assumption of complex systems is that a huge number of, for example, people interact and follow rules that are locally determined. Things will emerge in the absence of a centre, or despite the intentions of central Government.

If you buy into a complex-systems view, you would give up on the sense that a small group of ministers can identify what they want to do and make sure that it is carried out. You would instead try to adapt to the systems that exist and give more discretion to local people to adapt to their local environment and what happens, rather than thinking that you can direct things from the centre. That would feed into things such as performance management; you would give up on the idea of success and failure, and would instead go for a trial-and-error approach. You would get rid of the idea that failure is a bad thing, because you would be constantly learning.

I sometimes talk about that with civil servants, who say, "On the one hand, that is a much more accurate representation of what we do, but on the other hand, there is no way that we could tell anyone that that is how it works, because you have to maintain the story of order." The only way that ministers can be accountable for what they do is if there is an orderly system where you know what they are doing.

The Convener: I thank Professor Cairney for his evidence this morning and his excellent report.

Meeting closed at 10:58.

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