

# **FINANCE COMMITTEE**

Tuesday 22 January 2008

Session 3

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## FINANCE COMMITTEE

### 3<sup>rd</sup> Meeting 2008, Session 3

#### CONVENER

\*Andrew Welsh (Angus) (SNP)

#### DEPUTY CONVENER

\*Elaine Murray (Dumfries) (Lab)

#### COMMITTEE MEMBERS

\*Derek Brownlee (South of Scotland) (Con)

\*Joe FitzPatrick (Dundee West) (SNP)

\*James Kelly (Glasgow Rutherglen) (Lab)

\*Liam McArthur (Orkney) (LD)

Tom McCabe (Hamilton South) (Lab)

\*Alex Neil (Central Scotland) (SNP)

#### COMMITTEE SUBSTITUTES

Roseanna Cunningham (Perth) (SNP)

Ross Finnie (West of Scotland) (LD)

Murdo Fraser (Mid Scotland and Fife) (Con)

Peter Peacock (Highlands and Islands) (Lab)

\*attended

#### THE FOLLOWING GAVE EVIDENCE:

Professor Lorne Crerar

Paul Grice (Scottish Parliament Clerk and Chief Executive)

Tom McCabe MSP (Scottish Parliamentary Corporate Body)

John Swinney (Cabinet Secretary for Finance and Sustainable Growth)

#### CLERK TO THE COMMITTEE

Susan Duffy

#### SENIOR ASSISTANT CLERK

Mark Brough

#### ASSISTANT CLERK

Allan Campbell

#### LOCATION

Committee Room 1



# Scottish Parliament

## Finance Committee

*Tuesday 22 January 2008*

[THE CONVENER *opened the meeting at 14:05*]

### Crerar Review

**The Convener (Andrew Welsh):** Good afternoon and welcome to the third meeting of the Finance Committee in 2008, in the third session of the Scottish Parliament. I ask everyone present to turn off mobile phones and pagers, which interfere with the broadcasting equipment even if they are turned to silent.

The first item on our agenda today is to take evidence on the outcome of the Crerar review and the Scottish Government's response to it, which was published last Thursday. In 2006 the previous Finance Committee conducted a wide-ranging inquiry into accountability and governance, which included some recommendations and observations for the Crerar review, which had just been set up. For that reason, and because of the Government's continuing interest in the efficiency of public services, we agreed to hold a one-off evidence-taking session following publication of the review and the parliamentary debate on it.

Today we will hear from three panels of witnesses. I am delighted to welcome Professor Lorne Crerar, who chaired the independent review of regulation, audit, inspection and complaints handling of public services in Scotland. With Professor Crerar is Morris Fraser from the review's secretariat. I invite Professor Crerar to make introductory remarks.

**Professor Lorne Crerar:** I welcome the opportunity to answer members' questions and I thank the Finance Committee for its contribution during the review. The convener mentioned the information on accountability and governance that we used in the review.

**The Convener:** Thank you for appearing as a witness here today. I will pose the first question. What do you consider to be the top priorities for changing the status quo, and why?

**Professor Crerar:** When I started to gather evidence for the review, it became clear that the system is overly complex. There is a considerable body of initial evidence from service providers and from the scrutiny industry that the burden of scrutiny on service providers is too great. From those two overarching planks of evidence, we started to form the view that reform is needed in both areas. Service providers and the scrutiny

industry both accepted that there is an immediate need for reform to remove burdens, and that we must consider the scrutiny process in a much more systematic and organised manner. That coloured the way in which we approached the review.

**The Convener:** I could not agree more when you say that the primary focus should be on financial audit. However, it is difficult to get interest and expertise in, and understanding of, financial audit. I regret that people's eyes glaze over when we mention public finance or audit. People prefer to deal with the politics of issues, but tend to nod through the finance. How do you intend to raise the profile and understanding of financial audit?

**Professor Crerar:** How to determine the purpose of scrutiny may sound like an easy question, but when I first considered it there was no easy answer. We identified that the principal purpose of scrutiny is to provide to a range of stakeholders, including public service users and providers, assurance that services are being provided in a fit-for-purpose and cost-efficient manner. When we considered what the review of scrutiny in an overburdened landscape should involve, we said that financial audit—ensuring that the public pound is spent appropriately and effectively—is a given.

Later in the report, we suggested that there should be much more public focus and user involvement. Part of that task will be to explain how proportionate use of money—getting the most out of the money that is spent—is balanced against the results for the consumer. I do not doubt that that will be a difficult job, but there is evidence in the report that financial information will be of interest to consumers. The problem is in how the information is presented, rather than the information itself. There are many ways in which scrutiny outputs, including financial audit, can be made more understandable to the public as a whole.

**The Convener:** We wish you well in that task. The committee tries to raise the profile of financial issues within Parliament, so any advice that you can give us will be well received.

**James Kelly (Glasgow Rutherglen) (Lab):** One of the review's key recommendations for the longer term is the creation of a single national scrutiny body. When the review was discussed in Parliament, the Cabinet Secretary for Finance and Sustainable Growth suggested that more work would be required before he could take a view on the merits of establishing such a body. What additional work should the Government carry out to inform its view on the matter?

**Professor Crerar:** When I delivered the report to the cabinet secretary, I said that I see the

recommendation for a single national scrutiny body as an aspirational and long-term objective. In embarking on the journey in this overcluttered landscape, the inexorable logic of bringing people together in a much more co-ordinated fashion is that there should be a single national scrutiny body—that should be the long-term objective. However, during that journey, we might reach a point at which there are four or five bodies and conclude that that best serves Scotland at that time. The report lays out why I think it necessary to bring bodies together, given their methodologies, their use of data, how they use resources, how they scrutinise the public sector landscape, how they work together and how their responsibilities should be shared. I see it as a journey: in the review, I set out many of the hurdles that will need to be overcome in that long journey towards a single national scrutiny body.

**James Kelly:** What savings might be derived from the establishment of a single national scrutiny body?

**Professor Crerar:** As you will see from the report, it was difficult to obtain detailed financial analyses of the costs of scrutiny bodies. Audit Scotland provided us with what it thought were the direct costs—that is, the industry costs—of scrutiny bodies, but it was unable to give us any real lead on, or insight into, the indirect costs. However, a great deal of evidence suggests that duplication, overburdening and a lack of working together results from the current overcomplex arrangements, which have not been properly thought through. The natural conclusion is that streamlined processes, similar methodologies and sensible ways of measuring outputs will produce savings in costs. However, the review had neither the time nor the skills to carry out an analysis of what those savings would be, apart from in respect of time and effort.

**James Kelly:** Was any financial analysis undertaken on the set-up costs of a single national scrutiny body?

**Professor Crerar:** No. Audit Scotland provided us with information on the direct costs of scrutiny bodies. My role was to review the current landscape rather than to consider what setting up such a body would cost. However, I point out in the report that the direct costs of scrutiny have increased by 55 per cent between financial years 2002-03 and 2006-07.

**James Kelly:** In the move to a single scrutiny body, what steps could be taken to minimise the loss of existing organisational expertise?

**Professor Crerar:** The review makes it clear that, in moving towards a single national scrutiny body, it will be important to keep the discrete areas of skills and expertise—that would be a

function of any evolution. It is also fair to say that, in moving to a different scrutiny environment in which there is more patrolling of outputs and more self-assessment, the skills of at least some individuals will need to change. Without underestimating the difficulties, I recognise that although it is important not to lose those discrete skills, new skills will also be needed as the scrutiny landscape changes.

**Liam McArthur (Orkney) (LD):** No one would dispute the benefits of reducing costs, removing duplication and increasing simplification and efficiency. However, one concern about the direction of travel or end objective might be that we might lose not expertise but the commonsense approach and pragmatism that come from local delivery of the oversight function. How might such concerns be addressed as part of the process?

14:15

**Professor Crerar:** Everything in the current system can be justified by the individuals involved, but we have to stand back and consider the criticisms of it, how it operates and how it has grown. We should then ask how it can operate better and what we want to retain. There are very good examples of excellence in scrutiny—I make that clear in the review—which we do not want to lose. Part of the job during the journey will be to keep the best practices while removing the worst.

I make it clear in the report that an easy way to approach my task would have been to say, “Let’s just have fewer bodies.” We did not do that: instead, we asked how the system should work, what principles it should work under and what that should lead to. The cart followed the horse, in that we worked out what an appropriate scrutiny environment in a country our size would be, how it would work, what its principles would be and what that would lead to. That led us to propose the establishment of a national scrutiny body without losing current skills. [*Interruption.*]

**The Convener:** If Mr McArthur—or whoever that phone belongs to—would strangle his mobile phone, that would be helpful.

**Joe FitzPatrick (Dundee West) (SNP):** I appreciate that the aspiration to move to a single scrutiny body is long term, but many people are involved in scrutiny now, so can we make the journey without compulsory redundancies?

**Professor Crerar:** I did not have the time or resources to analyse each scrutiny body and what it does or does not do, so I cannot in truth answer that question. I can say that it will be a long journey, and that there are skills that we need to keep and new skills that need to be developed.

**Alex Neil (Central Scotland) (SNP):** In the eight years for which I have been an MSP, I have found from time to time that inspection and audit bodies need review and inspection. I can name some, but I will not. If we end up with one national scrutiny body, is there a danger that it will become a huge bureaucracy that will itself get out of control?

**Professor Crerar:** There is that danger, but it is part of members' task to prevent that. I am suggesting that there should be much more parliamentary scrutiny of scrutiny—not just of what bodies do, but in cost-value analyses. In the next few years, part of the job of Parliament will be to undertake such analyses and to challenge scrutiny. I do not see there being less accountability—indeed, I think that there will be a great deal more accountability to Parliament on the scrutiny functions and on what each organ of the scrutiny body is doing in its market to address the risks, deliver the assurance that Parliament requires, and consider cost and value issues. Part of Parliament's job will be scrutiny of the scrutiny regimes that are encompassed in a national body.

One body would give us the opportunity to share skills, experiences and regulation among sectors. It would allow people to move across sectors and to work much more closely and meaningfully. There is a huge amount of evidence in the report that multi-agency involvement and inspections lead to yet more tears of difficulty and burden. The idea of a single national scrutiny body has logic in that it will involve people working together in the most effective and manageable manner without losing accountability to Parliament in key areas of activity.

**Alex Neil:** I can see the arguments, and I am very much in favour of streamlining. My concern is about a move to one big organisation. What you said about parliamentary scrutiny sounds great in theory, but for obvious reasons, the Auditor General for Scotland, the ombudsmen and many quangos have some independence, which was built into the legislation that established them.

One problem that frustrates members—one could say that it is our fault for building it into legislation, although a lot of the legislation was inherited from pre-1999—is that, when we attempt parliamentary scrutiny, bodies sometimes hide behind, and use as an excuse for not giving us even basic information, the legislation that set them up and which gave them authority and independence. Surely that must be examined. There is no point in our saying that we will rely on parliamentary scrutiny if, when we ask questions, we do not get answers. The private finance initiative is a good example. We can scrutinise value for money in PFI schemes only if we have all the information, but we are told that we cannot get

the information because of commercial confidentiality. If we cannot get the information, how can we scrutinise it?

**Professor Crerar:** Alex Neil makes an important point. I try to make it as clear as I can in the report that, with independence comes accountability—by which I mean accountability to Parliament. I agree that, in that context, there being a multitude of bodies with different legal statuses does not work. They should all work with a single status and be independent of Government. That means independence and transparency, because evidence suggests that the public—the users—do not have faith in scrutiny that is not independent. However, the independence must be marshalled round accountability to Parliament. I envisage bodies' independence being the route to their accountability. They will come before the Parliament and explain what their function is, how they have fulfilled it and how they are spending the public pound with maximum effectiveness. What I envisage is true accountability, linked to the responsibility of independence and the transparency that that brings.

**Alex Neil:** I understand the point about bodies' being independent from Government because of what is being scrutinised, but if the bodies are entirely independent of Parliament, they can turn round and say, "You can say all you like, but we have the power to do our own thing." If a single body is to work, it must be a body of Parliament and directly accountable to it.

**Professor Crerar:** We are talking at cross-purposes. I am saying that bodies accountability to Parliament is linked intimately with, and garnered from, their independence from Government. I expect such bodies to come before Parliament to account for what they have done, to be challenged, to be told and directed and to account for their spend in a way that they currently do not. Independence is not a protective shield—it is quite the opposite.

**Alex Neil:** Absolutely.

**Joe FitzPatrick:** We had a pretty good debate in Parliament on the review. One concern that was raised was about the recommendation that the office of the Scottish Public Services Ombudsman should both implement and patrol the complaints-handling process. Some members argued that it finds it difficult to handle its current role and are concerned about how it could handle that extended role. What are your views?

**Professor Crerar:** I heard the views that were expressed in Parliament. It might be easier for me to explain my vision with regard to complaints. From all the evidence that we received, there is no question but that the complaints-handling processes in Scotland are far too complex. It is

difficult for consumers to navigate their way through the complaints processes in the public sector; there are more than 20 complaints bodies. What is more, certain sectors do not have common complaints-handling systems. If a person goes to the Highland Council to complain about local authority services, they go into a different complaints system from that which a person in Glasgow or Edinburgh would go into.

From the starting point, it seemed to me that we should have a common complaints-handling service for public services in Scotland. That is about addressing consumer need. All the evidence that we received was that the current system does not work. At present, a person can, ultimately, appeal on the merits of their complaint to the SPSO, but the SPSO has no powers of redress: she can send the complaint back with recommendations. The SPSO will tell us that all her recommendations have been adopted, apart from on one occasion.

We should have a common complaints-handling process throughout Scotland. Complaints should be resolved at service provider or scrutiny body level, with a right of appeal to a transparent and independent body that is locally based, be it in the Highlands, Glasgow or Edinburgh. The body must be robust in relation to legal challenge, by which I mean that it should not be possible to challenge it on the grounds that it is not independent or that it is not an ombudsman. Complaints should be resolved locally and within a set timeframe. I use the example of the Scottish Parliamentary Standards Commissioner, who has to resolve complaints within 12 weeks or tell us why that has not happened.

I want a consistently adopted and locally based common system that incorporates a set timeframe. I want a case's merits to be assessed locally, transparently and independently. The SPSO, who has all the knowledge on complaints systems in Scotland, should be responsible for ensuring that that happens. That ombudsman should be responsible for determining which complaints or scrutiny body a particular complaint should go to, in the event that there is a debate. She should ensure that, over time, we develop common systems that are robust against legal challenge, and we should move the final tier of appeal to a central Edinburgh-based body. It appears to me that such a system would meet the needs of the consumer, in that it would be quick and fair and would provide resolution.

**Alex Neil:** I will make two points. First, I totally support what Professor Crerar has said. I have many dealings with North Lanarkshire Council. To make a complaint about that council's education department, one must write to the chief executive, who is the most expensive post office in Britain.

He then sends the complaint to the director of education, who investigates the education department and—100 per cent of the time—says that there is no justification for the complaint. The complaint is returned to the chief executive, who writes back to say that there is no justification for it. The complaints system of the many local authorities who treat complaints in that way is a farce. I presume that local authorities would be subject to the proposed independent complaints procedure.

Secondly, surely it is also farcical to have an ombudsman who does the work, but who cannot then force local authorities to carry out her recommendations. In every other ombudsman system that I know of, the ombudsman has the power to enforce implementation of recommendations. One of the local authorities that I am dealing with has, in effect, put two fingers up to the ombudsman by saying that it will not implement her recommendations because it does not agree with her findings. The citizen has no power of redress. Unless the ombudsman has the power to enforce implementation, which would probably never be used if she had it, she is a toothless bulldog.

**Professor Crerar:** Yes—it is an issue of culture. I listened to Parliament's debate on the review and I appreciate that some members have a better view of how the current system works. I just wish that people would ask, "What would be the best way of resolving a complaint fairly for the complainant?" I acknowledge that there are vexatious complainants—it should be recognised that people complain for no reason at all and that their doing so is wasteful and costs public money.

We should have a locally based system that is strongly Scottish and which looks and feels the same across the public sector. Complaints should also have to be concluded within a certain period. In my report, I say that the appropriate timeframe could be determined sector by sector and that the SPSO should make that determination. Let us get the issue resolved, because I got the sense, anecdotally, that people feel that they do not need to deal with complaints so robustly because they end up going somewhere else. Complaints should stay with service providers and be dealt with properly.

**Liam McArthur:** As SNP members have been quick to defend councils and councillors over recent months, let me redress the balance somewhat by suggesting that the response that I have had from Orkney Islands Council to a number of requests to investigate complaints comprises a fairly satisfactory balance of upheld complaints and those that proved unfounded. I certainly echo the comments that Professor Crerar makes about vexatious complaints but, more often

than not, I find that the resistance to even embarking on the process of making a complaint is based on the perception of the length of time it will take. Part of the problem appears to be the length of time it takes to exhaust local avenues of complaint and appeal. What more could be done to simplify and speed up the process and to provide clarity from the outset on the exhausting of local procedures before the next phase is moved on to?

**Professor Crerar:** That is an extremely important question. The complaints process should be simple. It need not be difficult—a complaint is a complaint. I see no reason why the process of entering the system and understanding how it works, how to make a complaint and how to pursue it cannot be much simpler than it is. If there is a debate about where a complaint should go, the SPSO should make that determination.

Another important aspect, to which Liam McArthur alluded, is that complaints will, in the hoped-for new environment of scrutiny, be handled with a lighter touch. The fact that a complaint has been made should be seen as an amber or a green light that something is going wrong and as an indication that a complaint should be kept close to home with the service provider and the scrutiny body. If things that have not been seen and assessed are coming out of the woodwork, complaints may be an indicator that something is not working. That is another reason why the system should be locally focused and why there should be simple procedures, which should be common throughout the system.

14:30

**Elaine Murray (Dumfries) (Lab):** I seek your more detailed views on the possibility of a locally based complaints system. Are you suggesting one body that could investigate complaints for the entire public sector on a local authority basis, so that whether the complaint was aimed at a council, a health board or an enterprise body, a single body would deal with it? Would such a body be part of the office of the SPSO, or are you talking about a separate organisation in each local authority area? One of the reasons why there may be a different complaints system in the Highlands from that in Dumfries and Galloway is that the complaints system for a local authority is internal.

**Professor Crerar:** I say in the review that there are currently myriad systems, which are complex and difficult to navigate. We should change those systems: we should make them all the same and make them simple and understandable. Let us make the appeal from that system not from the local authority to the SPSO but to an independent group associated to the local authority—I gave the example of the Highland Council—that could meet

legal challenge robustly, be independent and make determinations under the transparent systems that are in place, without appealing to the SPSO on the complaint's merits. We should keep the body local and make the SPSO responsible for it. That is the first stage.

**Elaine Murray:** Would that body cover the entire public sector in a council area? Would it be a one-stop shop for complaints in the public sector?

**Professor Crerar:** No. There are currently lots of bodies. I am saying that the system should be much simpler and much more understandable, and that bodies should all work in the same way. That is stage 1.

Over time, as with the scrutiny regime, the bodies should come together so that there is less duplication. In the first instance, however, let us make the system simple and understandable. Let us keep it local and remove the remedy of appeal on the merits to the SPSO. The SPSO's function will also be to ensure that over time, as in the scrutiny environment, the number of bodies will shrink so that we can graduate towards one body. Part of the SPSO's role will be to make people work more closely together in that evolution—as in the scrutiny regime.

**Elaine Murray:** It is not just that the system is different in different areas; if someone has a complaint against a health board a different mechanism will be used to investigate it than would be the case if it was a complaint against the council, and a complaint may be against both in cases where there are joint services. It is obvious that to bring all that together would be of assistance to the consumer.

**Professor Crerar:** That is right. Part of the SPSO's function will be to direct people to where the complaint should go, because part of the problem is that it is difficult to understand to whom a person should direct a complaint in the first instance.

**Alex Neil:** My question is on a separate subject. There is a lot of scope for saving in that many bodies—for example some of the quangos in the enterprise networks—have internal audit and evaluation units. I have seen £10,000 being spent on evaluation of a £40,000 programme. Should all those bodies have their own internal audit functions, their own internal evaluation functions and be externally evaluated at the same time? Is it not logical to say that Robert Black and his outfit should do all the evaluation and all the audit rather than have the gross duplication that must cost the public sector millions of pounds every year in Scotland?

**Professor Crerar:** Legislation covers that aspect. As I understand it, there is a requirement for such processes in legislation. You would be

better to address that question to the Auditor General for Scotland. If there is duplication, I say in the report that best value must also be considered. We should examine what is being done and whether best value is working to maximum effect within the Scottish environment. You are right to say that duplication should be removed, but the question is for the Auditor General.

**The Convener:** There are no further questions for the panel. Would either witness like to make a last comment?

**Professor Crerar:** No. I thank you for the opportunity to answer questions. I have seen the Government's response and hope that the positivity around it becomes a reality.

**The Convener:** We thank you. You are working to seek clarity, accountability and efficiency. The evidence that you have given is very helpful to the committee. I thank both Professor Crerar and Mr Fraser for their attendance at the committee and wish them well in their important work.

14:35

*Meeting suspended.*

14:36

*On resuming—*

**The Convener:** I welcome our second panel of witnesses: John Swinney, the Cabinet Secretary for Finance and Sustainable Growth; and Ian Mitchell, who is deputy director of the public service reform and efficient government division of the Scottish Government.

I ask Mr Swinney whether he wishes to make any initial remarks.

**The Cabinet Secretary for Finance and Sustainable Growth (John Swinney):** Thank you for your welcome, convener. I would like to make a brief statement in opening the Government's evidence to the committee today.

First, I point out that the Government published its response to the Crerar review last Thursday. I hope that it has been available to the committee. The response sets out how we intend to take forward the contents of the Crerar report. The Government has an important opportunity for further dialogue and discussion on the output of the Crerar review, which was initiated by the previous Administration. The Government recognises that the matter involves not only certain actions by the Government but effective dialogue with the Parliament and its committees about the way in which to proceed. There are important matters of public concern and interest, which are the responsibility not just of the Government but of the Parliament into the bargain.

We held a substantial debate on the matter in the Parliament some months ago. The Government deliberately scheduled that debate to ensure that we had an opportunity to hear the reflections and perspectives on the Crerar report of members from across the political spectrum. The output of that debate helped the Government to formulate its response. I am anxious to ensure that we work carefully with the Parliament to build a consensus in taking forward the issues of scrutiny, complaints handling and accountability in Scotland's public services.

We need to consider all the recommendations carefully. The Government has given an initial response to some of the points. We are anxious to take forward discussion with the Parliament and organisations such as the Convention of Scottish Local Authorities and Audit Scotland to ensure that the changes that we make are correct and practical. The issues in the report on the role of the commissioners and ombudsmen are more the preserve of the Parliament, so the committee's input on those will be welcomed.

I am reminded as I formulate my evidence that much of the thinking and discussion on the questions has been informed by the inquiry into accountability and governance that was undertaken by the Finance Committee in the previous session, of which I had the privilege to be a member. I am anxious to build on the contribution that was made by that inquiry, which undoubtedly informed the Government's thinking and which I hope will inform the debate as we proceed.

I will be delighted to answer the committee's questions.

**The Convener:** I thank the cabinet secretary for his remarks and for coming to the meeting. Derek Brownlee has the first question.

**Derek Brownlee (South of Scotland) (Con):** If I recall correctly, the potential consequences of having a single scrutiny body were the central concern of members throughout the chamber in the parliamentary debate some months back. A number of concerns about that matter were expressed. The cabinet secretary said that the Government considered what was said in that debate. In its response to the Crerar review, it appears that the Government has judiciously avoided taking a final view on the merits of having a single scrutiny body; instead, it refers to short-life working groups and consultations. What timeframe do you have in mind for taking a view on the recommendation that there should be a single scrutiny body? What more does the Government need to do to formulate a final view?

**John Swinney:** Moving to the destination point of a single scrutiny body would involve a

substantial transition from where we are today. It is clear to me that, as things stand, the parliamentary mood is not in favour of having such a body. As I said, I am anxious to ensure that there is broad consensus on how we should progress, as we are talking about changes that must transcend politics and any possible future changes of Government. I am convinced that members believe that we can travel a distance along that road and, essentially, I am trying to find out how far we can move in the direction of simplifying the scrutiny process. That is subject to a number of tests, including the test of parliamentary confidence and consensus, the test of efficiency within the system and in particular the test of public confidence—the public must be confident that we are retaining scrutiny arrangements that assure people that our public services can be properly scrutinised and held to account. I am anxious to make progress on that matter as quickly as possible and I suspect that we will be able to come back to Parliament with the next developed tranche of our thinking in three to four months' time. That will give us time to draw clear conclusions that are based on the work of several development streams that are taking forward the Government's interests in the issue.

**Derek Brownlee:** Should we therefore understand by May the Government's perspective on what the scrutiny landscape should ultimately look like? You have mentioned efficiency and having the confidence of the public, and we all know that you want decluttering, but should we know by May, roughly, the direction of travel at least from the Government's perspective?

**John Swinney:** That would be a fair assumption.

**Alex Neil:** My questions are actually Tom McCabe's, but he is not here at the moment.

**John Swinney:** I am sure that Mr Neil will manage to step into the breach.

**Alex Neil:** Obviously, you have undertaken some decluttering within the past eight months. Is any of the decluttering that has taken place so far or any that has already been planned related to the broad area that Crerar reviewed? I know the general direction of travel and that wider, strategic questions will come later, but have you made any progress on decluttering in the meantime?

**John Swinney:** The principal area in which there will be decluttering and streamlining has emerged from the implications of the concordat with local government. One of the central aspects of the concordat—it contains many elements that I will not rehearse with the committee today—is the Government's positive response to legitimate representations from local authorities on the reporting, inspection and scrutiny burdens on

them. There are examples that I have heard about—I am sure that other members have heard about them too—of one set of inspectors going out the door and another set coming in the door to conduct a not dissimilar review of the performance of a local authority.

14:45

Implicit in the concordat is the acceptance that we have to, first, better organise inspection and scrutiny visits to remove or reduce the burden on local authorities and, secondly, ensure that we have a much more proportionate approach to the conduction of inspections. If we have local authorities that are emerging with strong performances, it is clear that they do not need to be inspected as frequently as poorly performing bodies do. The concordat accepts the notion of reducing the burden of scrutiny and inspection, and some of the arrangements that we will put in place for reporting on performance will be designed to achieve that.

In the short term, the Government aims to improve the reporting and scrutiny regime. Obviously, as we develop the concordat and our relationship with local authorities in the months to come, there will be further material changes in that respect.

**Alex Neil:** An example of what you are talking about is that the Auditor General has to go into local authorities in relation to certain matters as well as the Accounts Commission. There are two bodies involved in that instance when, perhaps, one would do.

**John Swinney:** The working practices of the Accounts Commission and the Auditor General are pretty closely aligned and their approaches tend to complement each other. The problem arises with a variety of other inspectorates, whose inspections are not properly aligned, which leads to significant amounts of management time in local authorities being spent on the process of inspection instead of being deployed on aspects of service development and improvement.

The concordat relationship says to local authorities that we have clear expectations about the contribution that local authorities are to make but that, as part of the process of development, we want to improve the way in which those inspections are undertaken and, as a consequence, minimise the burdens that are carried by individual authorities. That is the approach that will be taken by different bodies in that respect.

**Alex Neil:** The Government's response, which was published on Thursday, suggested that the Accounts Commission could act as a gateway for scrutiny directed at local government. What would

the implications of that be for statutory bodies such as the Scottish Commission for the Regulation of Care? Do Audit Scotland and the Accounts Commission have the expertise to act as a gateway? What does the Government mean by “gateway”?

**John Swinney:** Look at it this way: Her Majesty’s Inspectorate of Education and the care commission are now collaborating on some of the inspection work that they undertake. For example, when HMIE goes into an educational facility, it is in a position—because of the training that its staff have been given—to also look after the care commission’s interests in that respect. The organisation on the receiving end of the inspection is getting one visit from inspectors who are more broadly trained and are able to carry out a broader inspection, which minimises the burden on the organisation. That is a good example of joint working.

The concept of a gateway involves a body being, in a sense, the policing authority for deciding what is appropriate as a proportionate level of inspection of a particular organisation. Someone has to judge whether a local authority, a care facility, an educational facility or whatever has a good track record of performance, which means that it may not need to be inspected as frequently as others, or a bad record of performance, which means that it needs to be inspected more frequently. However, we must have some order and a judgment must be made about what is proportionate in the circumstances. The Government’s suggestion is designed to stimulate debate on that question, which will obviously be examined further by the working groups that the Government has established.

**Alex Neil:** So it would be a kind of central regulator, with a small “r”.

**John Swinney:** I am anxious to avoid all terminology of that type.

**Alex Neil:** It would not be a tsar.

**John Swinney:** It would definitely not be a tsar. The role would be simply to perform a co-ordinating function in order to guarantee that a judgment is applied about what is proportionate in the circumstances. I stress that the Government cannot undertake that function; it would be inappropriate for the Government to undertake it directly, but it would be appropriate for a body of the nature that I have indicated to undertake such responsibilities.

**Alex Neil:** Tom McCabe is satisfied with the answers, convener.

**The Convener:** We shall no doubt find out anon. Elaine Murray wants to ask a specific question.

**Elaine Murray:** I want to ask another question before I ask a specific question on Scottish Water, given that the cabinet secretary has talked a bit about scrutiny and inspection regimes. I suppose my question comes out of Professor Crerar’s evidence in the previous part of the meeting. Professor Crerar talked about the difficulty for an individual who makes a complaint against a local authority or other public sector body in knowing where to go and how to make the complaint. The mechanisms can be different in different local authorities. Professor Crerar has a view on how that could be simplified so that the individual who has an issue feels that their complaint has been independently examined. We also talked about the current problem of the ombudsman not being able to instruct public sector bodies to take on board her recommendations—the ombudsman can recommend, but an authority does not necessarily have to take that up. Has the Government any view on how the complaints mechanism for the individual could be simplified?

**John Swinney:** I think that the history behind that question is the Parliament’s decision some years ago to establish the Scottish Public Services Ombudsman. As I recall, the debate at that time was about drawing together all the avenues that a member of the public could pursue so that there would be one point of contact at which they could have their issue resolved. In theory, that is the correct way to operate, but there are different levels of complaints handling. One of the strengths of Professor Crerar’s report—it is a siren warning to the public sector in Scotland—is the acknowledgement that the burden of responsibility and complaints handling that falls on the SPSO would not be nearly as great if many of the issues that end up on her desk were resolved at source.

It bears repeating that the strength of Professor Crerar’s argument, which the Government accepts, is that complaints should be resolved timeously and courteously at a local level, which would make everyone’s life a lot simpler, particularly for the member of the public who had the difficulty. That does not mean that all complaints made by members of the public must be addressed in a fashion that justifies and substantiates them; it is just that members of the public should have a decent explanation of what has gone wrong, which explains to their satisfaction what the problem with a public service has been. We have a significant distance to go in our public services to ensure that that culture permeates through all their activities.

If there were an element to which complaints could properly be addressed at the local level that prevented the congestion that is caused by the number of complaints that go to the Scottish Public Services Ombudsman, it might be easier for members of the public to have a clear access

point to the system and to have their complaints resolved. Structurally, we have the correct arrangements in place; the question is whether they operate as effectively as all members of Parliament would like to see them operate. I think that the answer to that must be no.

**Elaine Murray:** Should the powers of the SPSO change so that she can force her recommendations to be taken on board? In the previous evidence session, Alex Neil referred to a local authority putting its finger up to the ombudsman and not taking a recommendation on board.

**John Swinney:** I dare say that you could not express that comment as eloquently as Mr Neil—I am sure that you are not quoting him out of context either.

The Government takes the view that the SPSO has an important role to perform in guaranteeing public confidence about the independent scrutiny of complaints about public bodies. It is essential that public sector organisations engage with that process seriously and with consideration to guarantee that they take forward the views and the recommendations of the SPSO. That is an important factor in the relationship. It is for Parliament to judge whether there are insufficient powers for the ombudsman to exercise her functions, because this is by its nature an area in which the Government is being scrutinised and the performance of public services for which ministers are responsible is subject to independent scrutiny by the ombudsman.

**Elaine Murray:** I shall seamlessly transfer to Scottish Water. You have accepted the recommendation that one organisation should take the lead in the scrutiny of a particular area. At the moment, we have the Water Industry Commission for Scotland and the drinking water quality regulator. Should one of those organisations take the entire responsibility for the water services area?

**John Swinney:** Both organisations are fulfilling very different functions. The primary duty of the Water Industry Commission essentially relates to the pricing and investment approach of Scottish Water and, increasingly, other organisations, in relation to the funding streams and the approach to pricing in the water industry. The drinking water quality regulator is performing a different function, which relates to standards of performance on water quality. It would be quite a challenge to mix those two cultures because each undertakes a different set of functions.

**Liam McArthur:** In response to questions posed by Derek Brownlee, you indicated some reticence about moving with undue haste towards a single scrutiny body. In response to Professor Crerar's

report, you have suggested that the Government is

“not convinced that a single status for all scrutiny bodies is the most critical factor at this stage.”

In his evidence, Professor Crerar set out what he felt to be critical factors. What do you see as the most critical factor?

**John Swinney:** As with all these things, there will never be a single most critical factor. I made the point in the debate in Parliament that in everything the Government does to simplify the scrutiny landscape, we must guarantee that we retain the same level of assurance about the effectiveness of individual public services. The last thing in the world the Government wants to do is reform the scrutiny landscape for all the right reasons—to simplify the landscape; to make the landscape more efficient; and to reduce the regulatory burden on different organisations—but in so doing, perhaps as an unintended consequence, relax the system to such an extent that there is a problem in the performance of a care home or an educational facility. All our actions to improve efficiency, to declutter the landscape and to ensure that we have a proportionate regulatory system that reduces the regulatory burden on organisations are tempered by the fact that we must be assured that the highest levels of scrutiny and standards remain in the different organisations that are being scrutinised. The balance is rather delicate, but I think that the committee would expect us to be concerned about that and about ensuring that we have in place all the proper mechanisms to guarantee public assurance on the quality of public services.

15:00

**Liam McArthur:** I think that I am reassured by some of that.

I turn to the single scrutiny body. In the previous evidence session, Alex Neil outlined a number of concerns that are shared across the political spectrum, one of which is whether a more efficient, streamlined body would still have the same flexibility on the ground to adopt a commonsense, pragmatic approach to minimising risk. Is that a central tenet of what you are doing, whatever the shape of the scrutiny body, or bodies?

**John Swinney:** The question is a development of the point that I have just made and accepted. An assessment of risk has to be made in all this. We could design a system to take us from an annual inspection to an inspection every three years, but if a problem with a facility arose in year 2, we would be found wanting in our assessment of risk. These judgments have to be made

carefully. We need to guarantee that we have taken account of the appropriate assessment of risk.

Another consequence of the single body—and this is an issue to which Government has given careful consideration—is that we must guard against losing the focused expertise that is needed to conduct scrutiny activity. Not only are the issues complex, but they often arise in complex legislative areas. It is important for us to ensure that suitably qualified and trained individuals carry out that scrutiny work.

I return to the example that I cited to Mr Neil of the joint inspections that HMIE and the care commission undertake. Adequate account has had to be taken of training needs to ensure that the individuals who undertake the inspections on behalf of both bodies are suitably equipped to do that. In trying to simplify the system, we have to be careful that we do not lose any of the expertise and quality that contribute towards public assurance on these matters.

**Liam McArthur:** You indicated that you will undertake work to assess the impact of scrutiny and its costs and benefits as a matter of priority. Will the results be available publicly by May and in advance to the Scottish Parliamentary Corporate Body?

**John Swinney:** We will take forward a number of different elements of work in that respect. I cannot say today whether we will have all the detailed working in place by May. The principles behind the Government's thinking will be clear by May, although some of the consequential financial issues may not be to hand. Obviously, we are anxious to progress the matter as quickly as possible.

**Alex Neil:** The Crerar review suggested that

“a Cabinet-level committee or group should take leadership on this”

on behalf of the Government. Will you give a broad overview of how the Government is taking forward the matter? Obviously, prime ministerial responsibility falls on you, but I assume that you talk to other ministers, too.

**John Swinney:** I would hope so, Mr Neil.

The Government's response to the Crerar review was formulated as a result of discussion at the Cabinet table, correspondence with Cabinet colleagues to follow up on issues that were raised in that discussion, and one-to-one discussions. The small size of the Cabinet means that we tend to discuss issues around the Cabinet table, where we can have a focused discussion of issues such as this that have an impact right across the spectrum of Government responsibility. Individual Cabinet colleagues have a particular interest in

guaranteeing that, within their relevant portfolio, the degree of scrutiny provides assurance that they, as members of the Cabinet, have properly carried out their responsibilities on behalf of the public.

**Alex Neil:** One of the recommendations was that there should be greater reliance on self-assessment, which was supported in the Government's statement on Thursday. Have you made any progress on self-assessment? Promoting that does not require a whole strategy to be in place if some progress can be made.

**John Swinney:** In a sense, that comes back to my earlier response to Dr Murray. There is an opportunity. If the system were working perfectly, self-assessment would be integral to how individual concerns were being expressed at the local level. To put it simply, if the climate and culture for dealing with complaints about public services and the way in which individuals have been dealt with were more satisfactory at a local level—of course, a significant number of complaints are dealt with in that way at that level—more of them could be resolved. The Government will take every step to encourage such a climate. It is also in the interests of public bodies to encourage that because it avoids the significant bureaucracy and difficulties that can arise at a later stage in the complaints-handling process.

On self-assessment of performance by individual bodies, part of the concordat with local government includes a fundamental shift in the way in which we hold local authorities to account. The culture of self-assessment sits very comfortably with that.

**Alex Neil:** I know that the ombudsman has been looking at the local authority complaints system. My experience is of North Lanarkshire, where the chief executive gets, for example, the director of education to investigate the education department and 100 times out of 100, they clear themselves. As a result of that, people end up going to the ombudsman and going through all that that entails in terms of resources and so on. Will you be looking at the local government complaints system? There are some excellent examples of complaints handling within local government, but there are also some very poor examples, of which North Lanarkshire is a classic. Will you be looking at the complaints systems with the local authorities as part of the concordat or as part of your on-going discussions with them?

**John Swinney:** We are keen to implement the Crerar report's recommendations in the way that we have set out in our response. As I said at the outset of my remarks, we are keen to ensure that we work with our local authority partners to take this agenda forward. It is in the interests of local authorities, as it is in the interests of the public

services for which ministers have responsibility, to ensure that individuals' complaints are sorted out quickly and effectively. In my experience, long before I was a minister, once a complaint process became protracted, it was pretty difficult, if not impossible, to get a resolution or peace of mind for the individual. The sooner such issues can be addressed and resolved, the better it is for everyone concerned. We encourage that process in local authorities.

**The Convener:** From the possibly overworked Alex Neil and some specific local issues we go to the final questions for this panel, which rest with Elaine Murray.

**Elaine Murray:** Cabinet secretary, during the debate, you indicated your desire to work with the Parliament to take the Crerar recommendations forward and you have said today that the debate was part of the Government formulating its response to the review. How do you intend to continue that dialogue with Parliament? Have you met or do you intend to meet the SPCB about this?

**John Swinney:** I have not yet met the SPCB, but I would be delighted to do so, to take issues forward. Responsibility for the resolution of some questions lies with the SPCB and it would not be appropriate for a minister to intrude on such areas. However, I would be delighted to take part in discussions with the SPCB and the committee on how the recommendations of the Crerar review are taken forward or on how we advance issues that were raised in the report of the Finance Committee in the previous session of the Parliament.

**Elaine Murray:** When that report was produced, in earlier—and, for some of us, happier—times, it was clear that there had been a plethora of legislation, as a result of which many bodies had been set up, not just by the Scottish Parliament but by the United Kingdom Government and others. Do you intend to discuss with the SPCB the possibility of legislative change, which will probably be necessary to sort out duplication in the sector?

**John Swinney:** If there is to be reform, legislative change will undoubtedly be required, both in areas that are properly the preserve of the Government and in the SPCB's areas of responsibility. The Government will be happy to facilitate preparatory work in that regard, under the guidance and direction of the SPCB. We must be careful to respect the boundaries of areas in which it is appropriate for the Government to take the lead and areas in which it is appropriate for the SPCB to take the lead.

**Liam McArthur:** As you discuss going down the legislative route, it is not difficult to envisage areas

in relation to which the European Commission might take an interest in this country's regulatory approach. Do you expect to have early discussions with the European Commission when your thinking is further developed?

**John Swinney:** I am tempted to say that my objective is to simplify the process, so I give a cautious response to your question. It is clear that, as part of our membership of the European Union, we have regulatory and legislative obligations, which the Government has a responsibility to take forward through the legislative provisions that we bring to the Parliament. Such issues will be properly taken forward, which is important.

I was not considering dialogue on internal scrutiny, audit, regulation and complaints handling. We have a pretty clear idea of the issues that the Administration and the Parliament must resolve and it would be best if we focused on getting on with resolving them.

**The Convener:** Cabinet secretary, if you have no final observations to make, I thank you and Mr Ian Mitchell for your evidence, which the committee greatly appreciates.

We will have a short pause to allow for the changeover of panels.

15:13

*Meeting suspended.*

15:15

*On resuming—*

**The Convener:** I welcome our final panel of witnesses, who represent the Scottish Parliamentary Corporate Body. Tom McCabe is here in his capacity as a member of the SPCB. With him are Paul Grice, the clerk and chief executive of the Scottish Parliament, and Mr Ian Leitch, the director of resources and governance. I invite Tom McCabe to make some initial observations.

**Tom McCabe MSP (Scottish Parliamentary Corporate Body):** Thank you, convener. Good afternoon to my colleagues on the committee. I thank the committee for giving me the opportunity to make some opening remarks. I also thank Mr Neil for taking on my role and asking questions while I listened from the public gallery.

As members know, I was the minister responsible for commissioning the Crerar review. I take this opportunity to put on record my thanks to Professor Crerar for producing such a comprehensive piece of work. I read with interest the Government's response to the report and listened to the evidence that the Cabinet Secretary

for Finance and Sustainable Growth gave a few moments ago.

The SPCB generally welcomes the report, but it is important to stress that our consideration of it, like that of other interested parties, is at a very early stage. The SPCB welcomes any initiative to introduce effectiveness and clarity into the scrutiny of Government. It also welcomes any initiative to introduce the same into the delivery of services to the citizen, but that is a matter for others to consider.

The SPCB's focus is on budgetary matters and on the oversight of a variety of office holders. The SPCB is acutely aware of the robust recommendations that the Finance Committee made in the previous session. For example, the Finance Committee recommended that the SPCB be given explicit responsibility for overseeing the business operations of office holders and the necessary powers to do so, and that it be required to scrutinise the annual business plans and budget projections of a variety of office holders. This year, in particular, the SPCB has initiated a process to try to give life to those recommendations. However, we have encountered a number of dilemmas, which I will outline briefly.

First, in the evidence that was given in the past hour or so, to which I listened with interest, the point was made that almost all the bodies that we are discussing are products of the Parliament's will. Some of the people concerned are office holders, whereas others are Crown appointees. It could be said—I will try to be as diplomatic as possible—that Crown appointees have less need than office holders to look over their shoulders, although others may disagree. However, people have been appointed to positions in a variety of ways, which can cause a difficulty.

The second issue is that of operational independence. As more attention is paid to budgets, staff structures and the nature of appointments, it becomes increasingly easy to cross a line that could leave the SPCB open to the charge of interfering with bodies' operational independence. In considering how the SPCB may assist the response to the Crerar report, the Parliament may need to revisit the original intentions for those bodies and how they are to be administered.

It has been widely recognised that the Crerar report is a thorough, comprehensive piece of work. It will take time for interested parties, including the Parliament, to consider how its recommendations can be implemented. As I said, the SPCB's consideration of the report is in its early stages. It may be useful for the committee to speak to a representative of the SPCB when we are a bit further along the process, once we have had a chance to engage with the minister—I was

delighted to see that he is willing to engage with the SPCB—and once we have had the opportunity to consider what response the Parliament may think is necessary to the Crerar report.

That is a brief initial view from the SPCB. If the committee has any questions, I will do my best to answer them.

**The Convener:** Thank you very much. James Kelly has the first questions.

**James Kelly:** Did the corporate body have any input into the Crerar review or any discussions with the review's authors?

**Tom McCabe:** SPCB officials—rather than politicians—had contact with the review body. There was useful and on-going contact with senior officials from the Parliament.

**James Kelly:** What lessons from the review do you consider could be usefully applied to the scrutiny of parliamentary commissioners and ombudsmen?

**Tom McCabe:** I have referred to two specific areas. As I say, a lot of the bodies are creations of the Parliament's will, and Parliament, in its wisdom, has decided to make some people office holders and others Crown appointees. I definitely think that that has an impact on the SPCB's ability to scrutinise them. I do not mean to be unkind but, frankly, that also has an impact on the way in which individuals may respond to any views that the SPCB may express. We all agree that the bodies should have operational independence, but it is a fine line. If it was the Parliament's will to give the SPCB greater power over the oversight of those bodies, it would have to clarify how we could reconcile a body's operational independence with asking the SPCB to become much more proactive in examining the way in which the bodies operate and carry out their duties.

**Derek Brownlee:** You have been diplomatic in speaking of the problems that we all know arise through the differences in the bodies' status and the inherent difficulties in the process of setting budgets for commissioners and ombudsmen. I presume that those difficulties are felt by both sides, not only by the corporate body.

You say that part of the difficulty is the fact that the institutions have been created in a piecemeal way. We have considered the case for a public sector ombudsman and the case for a children's commissioner, but what we have not done—at least, not until recently—is look at the situation in the round to find the appropriate structure in which some of the policy objectives might best be achieved. One way of resolving the issue would be to conduct a fundamental review of the organisations that fall within the corporate body's

remit. However, it would be a pretty radical step for the corporate body to initiate such a review.

If it was—

**The Convener:** Ah, we are getting a question.

**Derek Brownlee:** If it was the view of parliamentarians that a fundamental review was needed of all the commissioners and ombudsmen for which the corporate body, rather than the Government, is responsible, would the corporate body initiate such a review only if there was clear evidence that that was something that the Parliament as a whole wished to pursue, or could the corporate body initiate such a review off its own bat?

**Tom McCabe:** My feeling is that it would be inappropriate for the corporate body to go too far on its own initiative. The corporate body is a creation of the Parliament, and it is important that the fact that all the organisations that we are discussing are a creation of the will of Parliament is given proper recognition and respect. We are in a reasonably unique position within the United Kingdom, in that we do not have a second chamber. The Parliament must accept and recognise that, apart from the issue of the commissioners, many people may think that there is a strong case for more revision of the work of the Parliament—more post-legislative scrutiny than we currently have. From that would flow a variety of different actions that could certainly assist anybody that the Parliament wanted to oversee different offices.

**Alex Neil:** My feeling is that there is a view abroad in the Parliament that the time is right to consider the number of commissioners, their roles and their budgets. John Swinney clearly said in his evidence that the Government found it beneficial to have an open-ended debate in the Parliament on the Crerar review before it decided on its response. Perhaps the Finance Committee, in co-operation with the corporate body, could initiate such an open-ended debate on the role of the commissioners and the other questions of accountability, and, having judged the Parliament's view, decide how to take the matter forward.

My second point concerns accountability to the Parliament. The Auditor General reports to the Audit Committee and is accountable directly to it. The Scottish Commissioner for Children and Young People reports to the Education, Lifelong Learning and Culture Committee. The Scottish Parliamentary Standards Commissioner and the Commissioner for Public Appointments in Scotland now report to one committee—the Standards, Procedures and Public Appointments Committee. The two commissioners who do not report to any committee are the Scottish Public Services

Ombudsman and the Scottish Information Commissioner, who are probably the most important of the five commissioners—certainly in budgetary terms—leaving aside the Auditor General. That is a gap in accountability. What is Tom McCabe's view on that?

**The Convener:** Mr Neil leads us into deeper waters.

**Tom McCabe:** Alex Neil's first point is a useful suggestion that could be a way of taking the issue forward. His second point illustrates the problem that has grown up over the eight years of the Parliament's existence, which is that—I will be as kind as I can—there has been a lack of consistency in approach. That may have happened for a variety of reasons, but it has given us a discrete set of issues that we need to wrestle with and try to resolve in some way.

From the SPCB's point of view, it is about how we can best, on the Parliament's behalf, oversee and scrutinise the bodies that Mr Neil mentions. That is difficult enough. I have even greater sympathy for the general public, who look at them from even further away and who must be bewildered at the processes that we have put in place. If we struggle, I can well understand how the people who pay for us to be here must struggle too.

**Alex Neil:** The corporate body's remit is primarily the management of budgets and resources, whereas primarily policy issues arise when commissioners report to committees—and the corporate body does not have the remit to address the policy issues. That is where there is a gap in the arrangements for the Scottish Public Services Ombudsman and the Scottish Information Commissioner. I have spoken to both of them and both would like to report to a committee, because that would make their lives easier. They publish annual reports but, to the best of my knowledge, we have never discussed an annual report from any commissioner.

**Tom McCabe:** It struck me that the pay and conditions of some of the bodies are linked to the Parliament's agreements, but those of others are not. We discussed that when I appeared before the committee previously. I do not know why that situation came about, but it is another inconsistency, and there is a good case for rationalisation. The arrangements for all the commissioners were considered separately. We are eight years down the line in an institution that is maturing, so now might be an opportune moment to think about what was done in the past and consider whether there is another way to do things better.

**The Convener:** Can you suggest how those matters could be rationalised? What is the best approach?

**Tom McCabe:** We were all encouraged to hear what the cabinet secretary said, both today and when the Parliament debated the report. A lot of the rationalisation must be initiated by the Government of the day, which must ensure that it can secure the necessary support in Parliament. On occasion, the issues may be sensitive and the SPCB might not be the correct oversight body—the Parliament might want to create a discrete committee to oversee all the commissioners. There could be different solutions, but the Government of the day must take the initiative, and it is encouraging that it has said that it wants to do that in conjunction with the Parliament.

**The Convener:** That underlines that some deep, fundamental thinking has to be undertaken. It is certainly required.

Elaine Murray will ask the final questions in this evidence session.

15:30

**Elaine Murray:** You have already referred to one of the things that I was going to ask about, Mr McCabe. Crerar recommended that a committee or group within the Parliament should take forward some of the issues that Alex Neil questioned you about. I appreciate that you are in the early stages of the discussions, that you have not yet had discussions with ministers and that the SPCB has not had a lot of time to contemplate how it might proceed. Perhaps we will return to the issue at a later date. Have you considered whether it would be appropriate for a committee of the Parliament to take this work forward? What mechanism would we use to make that decision? Do you see the Parliament itself making a decision about that in the chamber?

**Tom McCabe:** To be fair, that discussion has not taken place in the SPCB. However, my impression this year, as we engaged with various bodies about business plans and budgets, is that there was frustration in the SPCB; although there was a strong will for more of an oversight, the proper authority for that had not been given. It is important that we authorise whatever body carries out that function to do so robustly and appropriately, whether it is the SPCB or a committee of the Parliament.

**Alex Neil:** Perhaps the Conveners Group, with the involvement of the SPCB, could start to consider how to take forward this issue in the Parliament, given that it potentially touches on all the committees—and certainly their conveners—as well as the corporate body. It might be worth talking informally to the Deputy Presiding Officer, Trish Godman—if she is still in charge of the Conveners Group—to see whether the Conveners Group, along with the corporate body could consider the issue.

**Tom McCabe:** The chief executive might want to say a few words about that. I understand that such discussions took place prior to Crerar reporting.

**Paul Grice (Scottish Parliament Clerk and Chief Executive):** I briefed the Conveners Group a little while ago and it showed considerable interest in the whole area. I cannot speak for the Conveners Group, but I would expect it to be interested in engaging with not just the commissions in which the corporate body takes an interest but the broader picture. The Conveners Group would be an entirely appropriate body with which to engage.

**The Convener:** What is clearly emerging is the need to gather together a range of disparate strands, from which I hope that progress can be made.

I thank Paul Grice, Ian Leitch and our committee colleague Tom McCabe for their thoughts, expertise and valuable SPCB insights into these complex matters.

*Meeting closed at 15:33.*

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