



OFFICIAL REPORT
AITHISG OIFIGEIL

Finance and Public Administration Committee

Tuesday 11 March 2025

Session 6



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FINANCE AND PUBLIC ADMINISTRATION COMMITTEE

9th Meeting 2025, Session 6

CONVENER

*Kenneth Gibson (Cunninghame North) (SNP)

DEPUTY CONVENER

Michael Marra (North East Scotland) (Lab)

COMMITTEE MEMBERS

*Ross Greer (West Scotland) (Green)

*Craig Hoy (South Scotland) (Con)

*John Mason (Glasgow Shettleston) (Ind)

*Liz Smith (Mid Scotland and Fife) (Con)

*Michelle Thomson (Falkirk East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Ivan McKee (Minister for Public Finance)

Douglas Ross (Highlands and Islands) (Con)

CLERK TO THE COMMITTEE

Joanne McNaughton

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Finance and Public Administration Committee

Tuesday 11 March 2025

[The Convener opened the meeting at 09:30]

Right to Addiction Recovery (Scotland) Bill: Financial Memorandum

The Convener (Kenneth Gibson): Good morning, and welcome to the ninth meeting in 2025 of the Finance and Public Administration Committee. The first item on our agenda today is evidence on the financial memorandum for the Right to Addiction Recovery (Scotland) Bill from Douglas Ross, the member in charge of the bill. He is joined by Neil Stewart, senior clerk at the non-Government bills unit. I welcome you both to the meeting and invite Douglas Ross to make a short opening statement.

Douglas Ross (Highlands and Islands) (Con): Thank you, convener, and good morning. It is a real pleasure to be in front of you today—I hope that I am still saying that at the end of your scrutiny. For me, it marks another significant step forward for the bill, which I have been working on for some time. I know that the scrutiny of your committee and that of the Health, Social Care and Sport Committee, which begins its evidence taking next week, will be important.

The latest statistics show that the number of annual drug deaths continues to rise and has more than doubled in the past 10 years. Scotland's drug death rate is more than twice as high as the rate in Wales and almost three times higher than the rate in England and Northern Ireland. Drug deaths are 15 times more likely to occur in our most deprived areas than in our least deprived areas, with areas in Glasgow and Dundee that are represented by members of this committee being particularly badly affected.

However, it is not just an issue with large urban areas. Despite having relatively low figures, my own area of Moray has seen big percentage increases. Between 2020 and 2021, a 70 per cent increase in drug deaths in Moray represented the highest increase anywhere in the country.

The bill covers alcohol addiction as well as drug addiction. The number of alcohol-specific deaths is at its highest level since 2008—again, the highest anywhere in the United Kingdom—and it is four times as high in our most deprived areas as in our

least deprived communities. I do not believe that it is an exaggeration to say that that is a national scandal.

Every four hours, on average, a Scot will die because of drugs or alcohol. They will die a needless and avoidable death because they were not given the right care and support at the right time. This is a national emergency and it deserves to be treated as such.

When the Parliament was reconstituted, the late Donald Dewar said that it should deliver Scottish solutions to Scottish problems. I genuinely believe that there can be no better issue to make that statement true than the drug and alcohol emergency that we are facing. I say that not to make a political point but simply to reinforce to the committee the gravity of the situation and the motivation for introducing the Right to Addiction Recovery (Scotland) Bill.

I take the opportunity to thank all those who have been involved in the formation of the bill to this point. As a member who has never sought to introduce a bill, I had not previously been involved in the work of the non-Government bills unit, but it has done a huge amount behind the scenes to bring us to this point today. I also thank the front-line experts who have been crucial in forming the bill and getting us to this stage. In particular, I would like to mention Stephen Wishart, Annemarie Ward and Faces & Voices of Recovery UK—FAVOR UK—who have been the real driving forces behind the bill.

To give a brief overview, the Right to Addiction Recovery (Scotland) Bill gives every person who has been diagnosed as having a drug or alcohol addiction the right to be informed about the appropriate treatment for their addiction and to be provided with that treatment. The bill sets out a procedure for health professionals to follow in determining treatment, including explaining the treatment options to the patient and encouraging them to participate in the decision-making process as much as possible. It also sets out a process and a right to a second opinion when treatment is deemed to be inappropriate or when no treatment is deemed to be appropriate. The bill requires that treatment that is identified be made available as soon as is reasonably possible and no later than three weeks after the determination is made.

The bill also requires that Scottish ministers publish and lay an annual report on the progress that has been made towards providing the treatments for drug and alcohol recovery. Finally, the bill requires Scottish ministers to prepare a code of practice that sets out how the duty to fulfil the right to treatment will be carried out by health boards and others, such as integration joint boards.

As this is the Finance and Public Administration Committee, I expect that many of the questions will be on the financial implications of the bill. I will not pre-empt what members might ask, but I will make one point, if I may. The figures that are included in the financial memorandum represent the best estimate of costs using the data that was available to us. However, as Audit Scotland said in its 2022 report on alcohol and drug services,

“it is still difficult to track spending and how it is being distributed and monitored.”

Further, Alcohol Focus Scotland said in its submission to the committee:

“we believe that the financial working that has been done exposes a significant and worrying gap in the available data”.

Also, in his letter to members of this committee and the Health, Social Care and Sport Committee, the Cabinet Secretary for Health and Social Care said:

“it is extremely challenging to estimate demand and unmet need.”

In the light of those challenges, although I understand the view that those numbers are at the lower end of the expectations, they are the best figures that can be produced with the data that we have at the moment.

As Dame Carol Black said,

“£1 spent on treatment will save £4 from reduced demands on health, prison, law enforcement and emergency services.”

Therefore, although there are significant spending commitments in relation to the bill, there are also savings to be made—and I think that we can all agree that the biggest saving is the lives that will be saved by people getting the help and support that they need when they need it.

I know that there will be some who are just as passionate about wanting to tackle our shameful drug and alcohol death rate as I am but who disagree with the approach in the bill. To those individuals and organisations—and, indeed, to this committee—I say work with me to get this right. We are at the beginning of the process and there will be time for amendments, which I will look at in good faith—but do not let the perfect stand in the way of the good.

We cannot miss this opportunity to put the need to take action against this national scandal on a legal footing. It is right that the bill and the issue be given the time to be debated and considered by this committee and this Parliament. I believe that people with drug and alcohol dependencies, their families and those who have tragically lost loved ones deserve no less.

The Convener: Thank you for that helpful opening statement. We will focus on the financial rather than the policy aspects, but I first commend you on the scope and scale of the bill and the ambitions behind it. I realise how difficult it is to put together a member's bill on an issue as challenging as this. Having read your financial memorandum again last night, I have to say that the word “challenging” comes up in almost every paragraph. You also alluded to that in your opening statement, when you talked about the issues of data and so on.

We have to look at the financial implications of the bill and, in particular, the best estimates that you have put forward, which suggest a low cost of perhaps £28.5 million to just more than £38 million a year. You have talked about how that will be distributed, and we will, no doubt, get on to savings at some point. However, the submissions that we have received are fairly universal in terms of their concern regarding the overall costs.

In no particular order—except that this is the order in which we were presented with them—Glasgow City Council said:

“We do not believe that the impact of this Bill is fully captured within the FM. The current residential rehabilitation services would require significant capital investment to expand the existing infrastructure, including in patient detox beds.”

You go on to mention the Scottish Government's ambition to increase the number of beds to 651 next year, so there is an aspect of that. However, the Glasgow City Council submission also goes on to state:

“The Bill assume that decisions are made solely by health professionals, which is not the case in GHSCP – these decisions are made as part of a wider multi disciplinary team. We believe these costs are therefore significantly underestimated.”

I could also quote from the submissions from the North Ayrshire alcohol and drug partnership or the Fife health and social care partnership—generally speaking, they all said much the same thing in their submissions. I wonder whether we could open with that issue. I take on board what you said about available data, but, even given that, it seems to be a case of erring on the side of optimism with regard to the costings.

Douglas Ross: There are two routes that we could go down. We could use the data that is available—which I, as the member in charge, accept is not ideal. That view is shared by many. Alternatively, we could look at that data and then add 10, 20 or 50 per cent; however, I would then be coming before this committee and struggling to defend that in any way.

I have looked at how this committee has scrutinised members' bills and Government bills, and I think that it is right for it to look for the figures

presented to be backed up by data, which is what we have tried to do with this financial memorandum.

I have also heard what the committee has said in the past about providing a range, which is why there is a range, with lower and upper-end expectations. Also, if the bill is passed, by including a proposal for annual reporting to Parliament, there is an opportunity for us to have better data to inform our decisions. Although, ultimately, the bill is designed to save lives and improve opportunities for people who are addicted to drugs and alcohol, there is another benefit, in that we will be able to gather better data across Scotland, which can inform our decisions, including financial ones.

On the impact of the bill that some respondents to your call for evidence cited, there was a lot of discussion about wider issues that affect people with addiction being included in the bill. That was not possible, because the bill is a non-Government one and so has to be quite narrow in scope. We have done as much as we can within that narrowness, but there are undoubtedly areas of spend in public life that are affected and impacted by people being addicted to drugs or alcohol that are not included in the bill. However, the bill will not stop that spend or prevent that issue from being looked at going forward.

We address the issue of capital in the financial memorandum. The Scottish Government has been clear that it wants to get up to 650 residential rehab beds by March of next year, which is in 12 months' time. The Government believes that it is on course to achieve that, and I hope that it does. Therefore, a large proportion of the funding that is needed for that has already been guaranteed by the Scottish Government, in previous budgets and the current budget. There is £160 million there, which is the baseline that we used for our calculations. A large proportion of that will be spent on increasing the number of residential rehab beds.

It is important that we recognise that in the financial memorandum. Although we do not separate out the capital costs, there is no need to do so, because there is that commitment from the Government, which it has backed up with its funding commitment of £160 million.

The Convener: People have suggested in evidence that, notwithstanding that, there is an issue about the requirement for more capital investment. Clearly, if the bill goes through, there will be a right to recovery. You talk in the financial memorandum about publicising that, trying to reduce stigma and getting more people to come forward. There is a fear that there could be an upsurge in the number of people coming forward

and that, even though the Scottish Government is going up to 650 beds, that will not be enough.

Paragraph 38 in the financial memorandum states:

"The average cost of a placement in a core programme in rehab in Scotland is £18,112".

I understand how difficult it is to put together a financial memorandum on the issue, but it says that placement costs range from £6,504 to £27,500, for varying lengths of courses, and that the cost per week is £350 to £5,500. If there is an upsurge, there will be extra demand on private places as well, which I assume the Scottish Government would be expected to fund under the bill. The Scottish Government could be funding private places at £5,000-plus per week. As demand goes up, we could end up with costs rising exponentially because of such issues. How do you address that concern?

Douglas Ross: If there is a surge of people coming forward because of awareness of the proposed legislation, and, hopefully, its becoming law, I believe that that will be a good thing. You will note that, although I do not specify this in the bill, in the financial memorandum, I encourage the Scottish Government to take part in a publicity campaign to raise awareness of the right. I believe that a surge would be a good thing. If people who need treatment, support and assistance are aware that it will be made available to them and that there is no option for someone to say, "You cannot have that because it's too expensive," and if that ultimately saves lives and deals with the shocking number of deaths that we have, that will be a good thing.

On your point about the varying costs of public and private residential rehab, it is not just about the weekly costs. You are right to highlight those, but the financial memorandum also specifies at paragraph 38 the time that some people spend in residential rehab, which can go from just a few weeks to potentially years in some cases. We have to look at those significant costs.

We mention in the financial memorandum that there is a tipping point. At some stage, as more people are treated and get help and support—which we believe needs to happen—that will reduce costs elsewhere in the public service. I go back to Dame Carol Black's point that, for every £1 spent on intervention, we can save £4 elsewhere in the public services. It is important to bear that in mind.

09:45

You also asked whether the Government would use private providers more. Clearly, that is an option, and it is up to the Government—we state that very clearly—to decide how the treatment is

delivered. However, as the Government provides more beds in the national health service, that will hopefully reduce some of the need to go to the private sector. I do not want to use the word “competitive”, but there will be more opportunities for people to go to the private sector or to the NHS to get their treatment. I hope that we would see some of the costs at the higher end stabilised and brought down.

Of course, people will get the treatment that a medical expert believes that they should get. It is not a self-referral process; it involves someone going through an assessment with a medical expert, and that medical expert—or, if this treatment is initially refused, the medical expert who gives a second opinion—deciding that this is the best course of treatment for that person to get over their addiction issues.

The Convener: I will address the tipping point issue, which you have mentioned twice. In paragraph 14 of its submission, the Convention of Scottish Local Authorities says:

“it is not practical nor feasible to assume the organisations we represent will be able to fund the initial predicted uptake in service provision.”

Although there might be savings further down the line—I would not want to dispute that—the issue is about how far down the line those savings would be and what resources are available to deliver the provisions of the bill. A bill of this importance and magnitude must work from the day that it comes into effect. We do not want people to turn up for services if the required facilities are not there, and if the staff are not trained and the support is not available.

COSLA also said:

“The ‘Spend to Save’ model as outlined above does not truly reflect the ongoing, lifelong model of care needed for patients who present through ADPs. Therefore, costs do not accurately reflect the delivery of care in reality.”

Although there might be some savings, COSLA does not necessarily agree with what Ms Black has said.

COSLA went on to say:

“It is difficult to quantify the estimated costs and savings for LAs given the lack of consideration for the essential direct and indirect services provided by LAs to the benefit of ADPs throughout the FM.”

COSLA is obviously concerned that the FM has been weighted very heavily towards health boards. It is saying that, even if there are savings down the line, it does not necessarily agree that they will be quite as high as is being suggested. However, there is the initial cost, which we, as a committee, and the Government would have to address.

Douglas Ross: I do not dismiss COSLA’s concerns in any way. As we have seen, local

authorities across the country are dealing with significant financial challenges, and the funding that goes into a number of those areas has been stretched and, in some cases, reduced over many years.

I believe that that situation is slightly different from the one the bill is about. The bill is about providing a right to addiction recovery using the models through the NHS, integration joint boards and local authorities. Ultimately, however, it will be down to the Scottish Government to decide how that funding is distributed.

Even without the bill—if it does not pass into law—the challenges that COSLA has identified in its submission will still exist. People will still need the support for which COSLA suggests there is not sufficient funding. We come back to the wider question for the Government, the committee and the Parliament about funding for local government more generally.

It is important to recognise that the bill does not seek to replace any other forms of treatment or support. Those will continue, and rightly so. The bill is about ensuring that there is a legal footing on which to give people the option of treatment such as rehabilitation and recovery, and guaranteeing in law that that can and will be provided.

The Convener: You represent the rural Highlands and Islands region. One concern that has been raised is about how we ensure that we are able to provide an equitable service. I have rural areas in my constituency, as do most members around the table, with the exception of John Mason and possibly Michelle Thomson. That is a real issue for many of us and for many communities. How would you ensure that the provisions of the bill are delivered equitably, from Stranraer to Shetland?

Douglas Ross: Aberdeen ADP made that point very clearly in its submission to the committee, and I agree that that is crucial. The Highlands and Islands, which I represent, is one of Scotland’s most rural areas, and it makes up 44 per cent of Scotland’s landmass, from Shetland to Argyll and Bute. I am absolutely determined that the bill will have the same impact on people who live in our remote and rural areas and island communities as it will on those who live in urban settings and bigger cities.

Paragraphs 70 to 76 of the financial memorandum are very clear in indicating that we want to ensure that the provision is universal and is promoted accordingly. We set out in some detail how the bill could affect island communities, and we look at some of the issues that could affect smaller communities, such as people’s ability to get a second opinion and how we would ensure

that those who made assessments had the relevant training. That is why the bill includes an initial estimated cost of £200,000 for training people to do the assessments. On-going training for NHS staff and others should, I hope, be included if the bill is passed into law, as I hope it will be. If the bill is passed, training will be available throughout urban and rural communities, and the offer will be there for people to get the treatment that they want and deserve.

The Convener: Do you feel that the financial memorandum reflects that? The evidence suggests that it does not. Finding people to do the work is one of the issues. Even if the Scottish Government had unlimited cash resources, it would still have to find people and train them to the required standard in order to deliver the outcomes that we would like to see.

Paragraph 85 of the financial memorandum says that

“the implementation of the Bill will lead to more completed treatments. This in turn will mean fewer repeat appointments being needed for patients who are seeking a new treatment, having had an unsuccessful patient journey.”

If staff numbers across Scotland are going to need to significantly increase, some staff will not have the same experience as those who work for organisations that have worked in the field for years or even decades. You are suggesting that the bill will lead to better outcomes, but I am not sure that we have the evidence that that will be the case, as some people will not have the same level of experience.

Douglas Ross: I go back to the costs in the financial memorandum, which suggest that initial training will cost an estimated £200,000. We have taken the figure from other legislation that the Parliament has passed. If we are to have a universal service, it is absolutely crucial that people in the islands can receive initial training so that they can carry out the assessments that would become the basis of treatment options for the patient.

On staffing, we could look at the wider issue of recruiting people to serve in island communities. I know a number of people who have come to the Highlands and Islands from more urban communities in order to change their lifestyles. We draw people from all over Scotland and, indeed, the United Kingdom, to some of our more remote and rural locations, and they bring their experience with them. We have tried to inform the financial memorandum by putting the training costs up front.

The evidence of how the bill would make savings in the future has come from front-line experts, who have been crucial in informing the

bill. They have told us that people would be able to get the treatment that they needed when they needed it, which would allow them to deal with their addiction issues at that point. That would undoubtedly save repeat returns to general practitioners and other medical services, because the problem would, I hope, have been dealt with in the initial phase, rather than getting worse and more complex, which would require repeat visits to GP practices and other professionals.

The Convener: One could say exactly the same of the current service delivery. If a person is treated effectively, repeat visits will not be required. The issue is about how the bill would make a difference. Fife health and social care partnership said that it is concerned about the omission of support costs from the financial memorandum. Its submission states that the

“Costs of complementary support to sustain long-term recovery including psychological therapy, psychosocial support and community and residential rehabilitation that may be of benefit to those requesting treatment is not reflected in the Financial Memorandum.”

Douglas Ross: Those are on-going costs that will occur regardless of whether the bill is passed.

The Convener: If more people receive treatment, it is clear, surely, that the level of support that is required will also rise commensurately.

Douglas Ross: I go back to what the cabinet secretary said in his letter about hidden demand. Demand is hidden to the extent that people are not getting the treatment, but the demand is still there—there are still people in our communities who are suffering from drug and alcohol addiction. They are accessing some, but not all, services. They might not be accessing the services that are right for them. They need help and support. Some of that will come through the bill if it becomes law, but some of that is already being, and will continue to have to be, delivered.

The Convener: You have mentioned that the level of the demand is hidden. Scottish Health Action on Alcohol Problems mentioned that 22 per cent of adults have alcohol problems. However, the bill will only really apply to those people who have been diagnosed with such a problem. With regard to drugs, paragraph 23 of the financial memorandum says that

“the number of individuals with problem drug use in Scotland is 57,300”,

but the number of people who had initial assessments for specialist drug treatment has varied from 6,275 to 7,867 in recent years. Therefore, the untapped demand is huge.

We mentioned earlier that the average cost of treatment is about £18,000 per person. If we take even a small proportion of those 50,000 people

who have been identified as drug addicts—there are undoubtedly more whom we do not know about—it is not necessary to be an arithmetic genius to realise that the cost of £28 million to £38 million that is spelled out in the financial memorandum will be breached pretty early on simply in relation to treatment for drugs, let alone treatment for alcohol.

Douglas Ross: Again, as you will know, convener, the range of £28.5 million to £38 million is the additional cost.

The Convener: Indeed.

Douglas Ross: That comes on top of the baseline of £160 million, which would take the total budget up to £198 million.

The Convener: Yes, but that £160 million is for dealing with the 7,000-odd people who come forward for treatment, not all of whom take it up—we know that about a third do not go forward with it—and those who take up alcohol services. If we increase the budget from, say, £160 million to £198 million, as is suggested in the financial memorandum, but the number of people who seek treatment for drugs alone doubles from more than 7,000 to 15,000, that £198 million will get blown pretty quickly, assuming that all the staff and facilities are already in place.

Douglas Ross: There will be different forms of treatment for different people. For some, rehab is the right approach. We rely heavily on that in the bill, because many of the organisations speak about the benefits of rehab. Faces and Voices of Recovery UK said that

“quality residential treatment can help improve mental and physical health, reduce offending, improve employability and enhance social functioning.”

For some people, that approach will absolutely be the right one to take, while a variety of treatment options will be right for others.

The number of people who are treated and supported would, indeed, increase with the proposed legislation, but I would not want to pick a figure out of thin air. I would not try to provide alternative figures that were not backed up by the data. That is the difficulty. I get what you are saying about taking the 57,300 figure and then looking at the wider number of people who will require treatment. As I said in my opening remarks, the cost is at the lower end of expectations, but it is very difficult.

It is telling that, in its response to the bill, the Scottish Government did not provide a figure for the alternative level of funding that it thinks would be required. I know that it has done so with other bills, but it could not come up with a figure to suggest what my bill would cost.

The Convener: I appreciate what you say, but the point that I am trying to make is that, even if we take on board what you have said about the data, extraneous costs—capital and the stuff that I have already mentioned, such as complementary and on-going support—still do not seem to be included.

I will ask just one more question, because I know that colleagues are keen to come in. In paragraph 30 of its submission, COSLA says:

“It should also be noted that Employer’s National Insurance Contributions are also a significant pressing risk for Local Government, commissioned services and other public and third sector bodies. Councils would not be able to meet additional costs, if the rise is not fully funded, and would be forced to make difficult decisions, as would IJBs and ADPs.”

We are talking about a significant cost here. Where do you feel that the money could be found in the Scottish Government’s budget? We have just passed a budget, and there will be on-going and increasing demands and challenges throughout the year. It looks as though employer national insurance contribution increases are here to stay, so there will be an on-going cost for local authorities, the public sector and, indeed, the third sector, which is under the cosh, as you know. Where in the Scottish budget do you think that the money for the bill should come from?

10:00

Douglas Ross: First, on the issue of employer national insurance contributions, the bill was lodged long before that decision was taken by the new UK Government.

The Convener: I appreciate that.

Douglas Ross: I think that the Scottish Government has been right to seek financial recompense for that to support services here, in Scotland. We can see that there will be a huge challenge for public bodies such as the Government, councils and charities. I agree with that argument, which has been well rehearsed in Parliament and by this committee.

On where we would find the funding, the upper estimate is that the bill would cost £198 million annually. The Scottish Government’s budget is just shy of £64 billion, and I believe that savings can be found within it. In my previous role as a party leader in this Parliament, I often came up with suggestions—not all of which would have found favour with the people in this room—about how to find savings.

The Convener: In every debate, we hear more suggestions from your colleagues about the need for additional funding.

Douglas Ross: That is true, as it sometimes is when your party is in opposition in a different Parliament in the United Kingdom. The same charge could be made against it.

To make a serious point, we are talking about a significant figure, but, in the context of a £64 billion budget, I believe that the funding can and should be found for something that most, if not all, of us agree is a national emergency.

The Convener: We move to questions from members, beginning with Liz Smith, to be followed by Ross Greer.

Liz Smith (Mid Scotland and Fife) (Con): Before I ask my main questions, I will go back to the convener's questions about data. Do you have any evidence that the fact that your bill is in existence means that the availability of data is improving? It is by no means complete, as you have rightly said—I speak as someone who also has a member's bill in Parliament and has lacked data to work with. Do you have any evidence that we are getting better data because you are addressing the issues through your bill?

Douglas Ross: I think that we are, but it is taking too long to get and the data is clearly still not complete. As I said to the convener, annual reporting to the Parliament will significantly improve that data because the Government will be duty bound to include it in a statement to the Parliament and will be held accountable for that. The Government will have to work with integration joint boards, health boards and others to get that data.

I make this point sincerely: I have had constructive meetings with a number of drugs ministers, the cabinet secretary for health and the First Minister. I had a joint meeting with the First Minister and the cabinet secretary last autumn and I think that there was agreement at that meeting that we need to focus on data and to improve the data in the future. When I get such reassurance from the top of the Government, that is encouraging and it might have been facilitated by the bill.

Liz Smith: That sounds positive.

Following your opening remarks, the convener asked you about Dame Carol Black's comment that every £1 that is spent might get a £4 return due to reduced spending in justice and health services, which is obviously encouraging. Paragraph 94 of your financial memorandum refers to a Public Health Scotland figure from 2009, which put the cost of illicit drug use at £3.5 billion at a time when drug use was less than it is, sadly, today. Drug use is higher now, so the costs will be higher. Do you therefore consider that savings might also be much higher as a result of that?

Douglas Ross: If we adjust the £3.5 billion figure for inflation, it goes up to £4.3 billion. I believe that the savings could be significantly higher. Some people might question Dame Carol Black, but I think that her report for the UK Government was extremely comprehensive. A point that has been used by a number of charities and Governments to encourage more appropriate intervention at an earlier stage is that spending a little now could lead to significant savings in the future. I think that the figure, which in Dame Carol Black's initial report is given as £4 being saved for every £1 of intervention, could be even higher. A number of organisations continue to cite the figure, because early intervention and a treatment-focused personalised approach can make a huge difference.

Liz Smith: Would it be possible to break that down into savings in justice and in health, or is there just an overall figure?

Douglas Ross: It is an overall figure. Perhaps we can look at the matter through parliamentary questions. I would be keen to lodge some to get more information, if that is possible. The report was not looking at Scotland in particular—it was done for the UK Government—but people can see that the financial benefits are well above the £4 to £1 ratio, and the personal benefit of lives being saved is perhaps the most crucial benefit.

Liz Smith: In the chamber, Mr Ross, you have put it to the Parliament several times that the bill is designed specifically to complement, rather than to replace, the other policies that are designed to improve treatment. Do you have any way of ascertaining how well all those might come together, if your bill is passed? Will we see a reduction in some other areas, or will what is in the bill be in addition to them?

Douglas Ross: That is a very good question. I stress, and will continue to stress throughout the process of the bill, that it does not seek to supersede or replace any other forms of support; rather, it is to complement that support.

In the financial memorandum, we look at the number of people who are suggested for residential rehab and certain other treatments who do not complete that treatment. The bill is about the cohort of people for whom experts have determined that those treatments are the right approach, but for reasons of time or cost, or for multiple reasons that we do not yet know about, they do not complete the full treatment that has been suggested. We want to give people the legal footing of a guarantee, backed by law and passed in the Parliament, that, if they are told that a treatment will help them with their drug or alcohol addiction problems, they will get that treatment. It would not prevent people from getting other forms of help, support and treatment but would

complement, as you said, what is already in existence.

Liz Smith: That is helpful.

You mentioned that the Scottish Government has committed to ensuring that there are a certain number of beds. That is good, and you have every expectation that they will be provided. When it comes to resolving the capacity issue, do you think that there will be considerable scope for cost reduction?

Douglas Ross: The commitment to 650 beds by March next year is one that I have challenged Neil Gray on in the chamber. He believes that he is on course to achieve that number, and I want him to do so. This is not a political point on which the failure of the Government can be seized by opponents. We all want the Government to deliver and achieve that.

If that happens by March next year, what we propose in the bill could ensure that people get treatment, and there will be opportunities elsewhere to look at savings. As more people get treatment when they need it, their issues will be dealt with at that time, instead of their becoming more complex and chronic. Intervention later is far more costly to the Government.

Liz Smith: My final question is on collaboration. We have had good collaboration from the Scottish Government and other political parties, as far as I can make out. Although the people who have written to the committee are raising various challenges and saying that the costs have been underestimated—that is fairly common for a financial memorandum, but it has to be said—do you feel that there is good-quality collaboration across the sectors that would need to address the provisions?

Douglas Ross: The answer is yes and no, if I am honest. Anyone who meets organisations that deal with addiction will find some split opinions. Some people believe that residential rehab is the right and only approach, and others believe that it is not. Therefore, I understand why there will be conflicting views on the bill. Not everyone who is working in the sector will agree with the bill's approach. That is why I reiterate that the bill would not replace other mechanisms or opportunities that exist to help and support people but would, I hope, complement them.

The people who will be entitled to residential rehab and other forms of treatment that are identified in the bill will be the ones who need it: a medical expert will have determined the right approach for them. Crucially, the bill will ensure that treatment cannot be refused for any reason. It must happen within, at the longest, three weeks of the determination, although we hope that it would happen far sooner. I think that giving the legal

guarantee about the treatment that has been determined to be right for an individual, and for that individual to feel part of the treatment, are crucial.

Liz Smith: Thank you.

Ross Greer (West Scotland) (Green): Good morning. I should say from the outset that I entirely accept that it is impossible to completely estimate the cost of the bill, given the stigma around addiction.

That said, I will pick up on one specific area in which concerns have been raised, which is social work costs. Am I right in my understanding that the financial memorandum does not take account of increased social work costs related to the bill?

Douglas Ross: The increased costs in the bill will go to the Scottish Government, and the Scottish Government makes the funding decisions. We would not limit it to putting money into ADPs or health boards. The money that the Scottish Government currently provides to ADPs or through ADPs goes through councils, so there are opportunities for councils to spend and receive a greater proportion of funding if the Scottish Government believes that that would be the best way to deliver what would be required by the bill. We have tried to keep that as open as possible so that we do not limit the Scottish Government's ability to deliver the objectives of the bill.

Ross Greer: I understand the delivery mechanism, but if we are trying to get an accurate understanding of how much it costs at present per individual, for example, surely it would be crucial to take into account the associated social work costs. I understand that there is a bit of a data-availability issue, because a lot of that data does not go through the drug and alcohol information system—DAISy—but I presume that councils would, to some extent, be able to provide information via freedom of information requests. Social work is quite a substantial additional area of cost that is not reflected in the financial memorandum, which would make it quite hard to get an understanding of the likely cost per individual.

Douglas Ross: East Ayrshire ADP mentioned that we focus an awful lot on the DAISy data in our financial memorandum, but it was important that we looked at that, because the figures and data points could then be translated into the financial memorandum.

I take on board your point about local authorities. We have tried to get as much data as possible. I went out and spoke to a number of health boards during the formation of the financial memorandum. I am very keen to open up further discussion about social care and social work costs with local authorities, if that would be helpful—it

probably would be. However, I go back to the point that I made to the convener, which is that those costs currently exist and will continue to exist whether or not the bill is passed.

Ross Greer: I appreciate that. However, there is potential for the costs to increase, because we would all hope that, even just through the publicity around the bill, more people would come forward to have an existing addiction diagnosed, and thereby access support. As things stand, do you have any data on associated social work costs from local authorities?

Douglas Ross: No. The research that we did was through health boards and ADPs. Some of the figures and data will be fed in through the ADPs and integration joint boards, which obviously have council representatives on them. I am happy to go away to try to get some figures, because they would be helpful for you and for other members.

Ross Greer: That would be useful.

John Mason (Glasgow Shettleston) (Ind): Could you talk us through some of the figures and the percentages? I find them interesting, but I am not sure that I have fully got my head around them.

Paragraph 54 of the financial memorandum says that 31 per cent of

"referrals to community-based services were discharged before starting treatment"

and that of those

"79.3% (2,459) were discharged and recorded as treatment incomplete"

Various reasons are given for that. As I understand it, you hope to dig into the remaining 24 per cent of all treatment referrals and cut that percentage down. Is that broadly where you are going?

Douglas Ross: Yes—we want to get 50 per cent to two thirds of those who come forward for treatment completing treatment. Again, this relates to a point that the committee has rightly asked about before. We did not want to say just that there should be a 50 per cent increase: we thought that putting in a range would be more helpful to the committee through considering the projected costs of a lower end and an upper end.

John Mason: Is that 50 per cent to 66 per cent just what you would like to happen, or do people think it could happen?

10:15

Douglas Ross: We feel that it is an accurate assessment of roughly where we could get to. We are not going to get 100 per cent of people who

did not complete their treatments, but 50 per cent would be a not insignificant increase; however, getting to two thirds would be a larger proportion of people who do not complete their treatments than was the case in the past. By having that enshrined in law, they could—and should—be able to do so. I hope that they will, through health authorities taking a person-centred approach, be more encouraged to do that and to continue the discussion about their treatment options. The aim was to provide a range of opportunities for people who are currently not completing the treatment that experts have deemed to be appropriate for them.

John Mason: Is that another area on which we do not have data? In my limited experience, addiction has a really powerful hold on people. Some people might say, today, "Yes, I'd like to get off drugs," but the grip on them is so strong that they do not continue with treatment.

Douglas Ross: That is a crucial point. That is why treatment must begin within three weeks, as we have written into the bill, although we would like it to happen far sooner. We included that three-week period because the figure is used by the Government at the moment—95 per cent of people should already be getting treatment within three weeks. We mention that in paragraph 66, which says that

"95% of referrals resulted in treatment starting within three weeks or less."

The longer the time, the more chance there is that the person becomes disenfranchised from the proposal and the treatment option that has been determined for them. We want the bill and the publicity that surrounds it to give people the confidence that, when they get a medical assessment of their need, they can get treatment as quickly as possible, in order to save them from changing circumstances leading to their not completing the treatment.

John Mason: In an answer to the convener, you said that people should not be told that they cannot have treatment because of the cost. However, is that not just life? We cannot have more roads because of the cost, we cannot have more houses because of the cost and we have waiting lists in the NHS because of the cost. We are limited, as a nation and as individuals, by how much money we have. Surely there has to come a point at which there is just no money for someone's hip replacement or whatever else they need.

Douglas Ross: I disagree, given how serious and crucial the issue is. As I mentioned, the Scottish budget is about £64 billion annually, and I am asking us to spend less than £200 million a year on supporting people who have addiction

problems. Given what people with addiction have suffered and continue to suffer—to go back to Ross Greer's point about stigma and the impact being not just on the person and their family—getting people over their addiction is money well spent. Remember, those people want to get better; they have struggled and suffered for far too long, and they have sought help and support.

I have countless testimonies from people who were told that residential rehab or other forms of treatment were right for them but they could not get that treatment because of either cost or availability. In 2025, here in Scotland, no one should be unable to get the help and support that they need to get off their addiction and turn their lives around. People who have gone through the process successfully and have turned their lives around make an amazing impact on our community and society.

John Mason: I accept that it is not a huge amount out of the total Scottish budget. Unfortunately, however, that is said about a lot of things. Our colleague Liz Smith wants children to be able to go to outdoor centres, which is an extremely good idea but would cost another £30 million or £40 million. All those things add up and, somehow, we have to prioritise. Assuming that the £28 million or £38 million would come from the health budget, is it your argument that the provisions in the bill should be a higher priority than, say, hip replacements? If people were to wait a bit longer for hip replacements, would that be okay because we would be putting the money into this?

Douglas Ross: The money should come from the wider Scottish Government budget. We could spend all morning discussing where it could come from—undoubtedly, my priorities would be different from yours, Mr Mason. However, it is important. For far too long, that group of people has not had support from the Parliament or multiple Governments. How often have we stood up—annually, when we get the figures—and said that this is Scotland's national shame and that something must be done about it, but without anything ever changing?

The only thing that changes is that the figures get worse and worse. Sometimes we get a slight dip, but then the numbers go back up again. We cannot continue doing the same thing time and again and expect different results. Therefore, I think that putting the provisions into law and giving people the reassurance that the treatment that has been deemed as being right to provide them with will be helpful not just to the individuals involved but to Scotland. As a country, we are shamed by our annual figures for the number of our fellow Scots who die needlessly from drugs and alcohol.

John Mason: I agree with all of that, and I am sure that the lead committee will be looking at that specific issue. However, we are looking at the money. You have said that I will disagree with your suggestion, but let us hear your suggestion as to where the £38 million will come from.

Douglas Ross: Again, I could go on, as I did in a previous role, about savings that the Government could make in major projects. We could discuss ferries, for example, or we could discuss the money that was wasted on the information technology system for farm payments back in 2016. We could discuss—

John Mason: Well, given that that money—

Douglas Ross: But I do not really want to get into that political point.

John Mason: Well, give me a suggestion for the future. We have wasted money on the ferries and we have wasted money on IT. Where in next year's budget would we get the money from?

Douglas Ross: There will be opportunities in a £64 billion budget to find savings. If you want me to go away and research that, I will do so. I do not want to give you a figure and say that this or that saving would cover half of the £38 million, but then find that the figure is wrong, because—knowing your background as an accountant, Mr Mason—you will have the figures at your fingertips. I do not. I am quite happy to write to you after the meeting with £38 million of savings from the current budget, and we can scrutinise that, going forward. I am saying, however, that they will be my savings—they might not be the savings that my party colleagues Ms Smith or Mr Hoy might make. If you are asking me to find savings of £38 million in the budget, I will do so for you.

John Mason: I look forward to that. I would just raise tax and pay for it in that way, but you might not want to do that.

Douglas Ross: That will not be in my letter.

John Mason: Fair enough.

Douglas Ross: I can give you that assurance.

John Mason: Still on the money and on the comment that £1 that is spent today could save £4 in the future, it has been suggested that that would not be a saving, given how much pressure there is on the justice and health systems. It would just relieve some of the pressure, so there would, in fact, not be any saving.

Douglas Ross: Just relieving that pressure is, in itself, a saving. The budgets are, as you say, extremely tight. We have had discussions about that in the Parliament on a number of occasions. However, the point is that, through early intervention, savings will be made going forward. No one has been able to prove to me that Dame

Carol Black is wrong in her assumption that every £1 spent on intervention on addiction issues and drug problems will not make that £4 saving for the wider public service.

John Mason: I do not think that we will see that money coming back, but I take your point that it will relieve the pressure.

Finally, you want the bill to be put into law. It seems to have become a habit of the Government and others to put things into law but then not achieve them. What happens if we put the bill into law and targets are not met? Would a Government minister go to prison?

Douglas Ross: That is a very good question. Indeed, it was one of the questions that I was asked quite often when the bill was formally launched last May. We already have targets on, for example, cancer treatment times, but what happens if we do not meet them?

The annual reporting to the Parliament will, I think, put greater onus on ministers. They will have to be accountable to the chamber and to representatives, and therefore, if the bill goes through, it will be for members in the next session of the Parliament, whoever they might be, to hold Government ministers to account. Some, depending on who is in Government and who is in Opposition, might demand that ministers resign over that. I am not in any way saying that that should happen—I am just saying that we have put in the bill an opportunity for the Parliament to scrutinise delivery against its aims, and I think that that will be an important role for the Parliament, as we move forward.

John Mason: Thank you.

The Convener: I call Craig Hoy, to be followed by Michelle Thomson.

Craig Hoy (South Scotland) (Con): Good morning, Mr Ross. A fair few of the questions that I might have dwelt on have already been asked, but perhaps I can help out Mr Mason a little bit with regard to costs.

On the alcohol side of the equation, the alcohol and drinks industry is already committed to significant expenditure on combating alcohol harm and on community alcohol partnerships, and there is also money that it puts into self-regulation and so on. Have you had any discussions with that industry about how money that is already being spent could be repurposed for such a programme, or how, say, some of the revenues from minimum unit pricing—which, according to the Fraser of Allander Institute, are approximately £32 million a year—could be used to meet some of the costs of what I think is a worthwhile bill?

Douglas Ross: That has been discussed in meetings of the Parliament's cross-party groups

on drug and alcohol addiction that I have attended. There are certainly opportunities in the proposed legislation relating to direct funding that has become available and continues to become available.

The industry is sometimes criticised for not doing enough, but it seeks to put in funding where it can tackle problem drinking and addiction. I know that from my work with the Scotch Whisky Association and the CPG on Scotch whisky. As you will know, Mr Hoy, from the CPG on beer and pubs, the sector is aware of that and it seeks to direct available resources to a number of projects to prevent people from becoming addicted in the first place and to help people who are suffering from addiction.

Craig Hoy: The financial memorandum anticipates significant savings in the long term. If we think about social harms, family breakdown and loss of employment—we can go through the range—£4 being saved for every £1 that is spent certainly looks to be a pretty decent equation, but that will come in the long term. Have you an assessment of the long-term horizon? Is it three to five years or five to 10 years?

Douglas Ross: That is very difficult. I mentioned the tipping point to the convener a couple of times. When that tipping point occurs, it will be determined by a number of factors. I go back to Mr Mason's point about how many people from among that 24 per cent, or whatever figure we are looking at, come forward at any given time.

Another member said that the bill is ready to work, and it is important that it provides the support and assistance that people need immediately, from day 1. That is why the increase in the number of residential rehab beds is crucial. The Government's meeting that target next year will indicate how we will perform in that area. However, picking a date when the short-term benefits become long-term savings is difficult to do at this point.

Craig Hoy: You said in your opening remarks that the bill would have a significant impact on those who live in Scotland's most deprived communities, who are more likely to die from drugs and alcohol misuse. A lot of Government funding is focused on ending child deprivation and we know that those things are all inextricably linked. Is it fair to say that the expenditure will yield the greatest improvement in quality of life for the people who live in deprived communities who, in many respects, still fall through the cracks?

Douglas Ross: Yes, I believe that we can say that with some certainty. As I said in my opening statement, the number of drug deaths is 15 times higher in our most deprived areas than it is in our least deprived areas, and the number of alcohol

deaths is almost four times higher in our most deprived areas than it is in our least deprived areas. The legislation will make the biggest impact in those communities.

We have spoken about the hard-to-reach areas and the unmet demand. I hope that people will come forward to get the help and support that they need, because we can see that theirs are the communities that suffer the most from drugs and alcohol, so they are the communities that can benefit the most from the proposed legislation.

Craig Hoy: Regardless of what happens next with parliamentary time or Government support for the bill, the bill has raised awareness of the need for rehab and the scale of Scotland's alcohol and drug deaths. It has also led to more data and transparency around that data. How much further do you think we have to go before we have an accurate picture of the trends and the costs? I know that some of them will always be unknown, but one of the unintended consequences of the proposed legislation is that we are starting to compile that data, which is useful to public policy more generally.

Douglas Ross: Yes, absolutely. As I said, the main aim of the bill is to save lives, but if improved data can better inform the decisions of the Government and the Parliament, that will also be a benefit of the legislation. That is why the proposals that are included in the bill about reporting to the Parliament and the costs that are associated with that in the financial memorandum are important to improve that data set.

On raising awareness, the bill has continued to shine a light on the appalling tragedies that we see in Scotland every year from drug and alcohol deaths, and we should continue to do that during the process of the bill and until we get those figures down.

The fact that we are still not just the worst in the United Kingdom for drug and alcohol deaths but the worst of many countries across Europe—for drug deaths, we are certainly the worst across Europe—shows us that this is a problem that we must tackle. In my view, it should have been tackled some time ago, but we are where we are. In 2025, we can send a very strong signal by passing this legislation, putting it into law and starting to save lives by ensuring that people get the treatment that is right for them.

10:30

Craig Hoy: If the bill is passed, until the systems are in place, will it make it more difficult for the Scottish Government in the short to medium term to cut budgets as it has in the past, because there will be an increased focus on this area?

Douglas Ross: That is an important point. The national mission completes next year, so, at the moment, the money that is associated with the national mission is not guaranteed going forward. I think that it must be—we need significant levels of funding in the future, and by making the bill law in this session of Parliament, we would be guaranteeing that funding. That will send an extremely important signal to people with addiction issues that the funding is backed up by the Parliament. It will also send an important message to Government that this continues to be a priority for members across the Parliament.

I hope that I have not strayed too much into the political territory today, because there is very good cross-party support for the bill from members of the governing party and from Opposition members who want to see our appalling drug and alcohol death rates reduce, and who want to see people surviving their addictions and getting the help and support that they need.

By putting this into law, we would also be guaranteeing funding into the next parliamentary session and beyond, which will be crucial as the national mission, which is currently scheduled to finish next year, comes to a close and the Government looks at further opportunities to deal with the issue.

Craig Hoy: Finally, on the problem of alcohol misuse, in its submission, SHAAP called for

“a new robust national needs assessment to be carried out”,

followed by

“a full calculation ... to estimate the costs of upscaling provision to meet the currently unmet need”

in relation to alcohol dependence. Do you sense that there is agreement to extend the scope of the bill to cover all people with alcohol-use disorder, as SHAAP has suggested, or would you want to look at that further down the line?

Douglas Ross: I cannot do that with the bill. As I said to the convener, non-Government bills must sometimes be quite narrow in focus. There are issues that we have not touched on yet, although we probably will with the lead committee, around housing and homelessness and suchlike, which are very often associated with addiction issues, which we cannot get into with this legislation, despite many of the front-line experts being keen that we are able to do so. I do not think that we can extend the scope of the bill. It will be for others to look at that, and I encourage them to do so.

The bill deals with people who are diagnosed with an addiction, but I understand that that is not everyone who suffers from alcohol misuse. However, by stipulating a diagnosis of addiction, we can get the required medical intervention and

the treatment that is needed to deal with that addiction. That is why that is stipulated so clearly in the bill.

Craig Hoy: Thank you very much.

Michelle Thomson (Falkirk East) (SNP): You have given a lot of information so far. In reading through the financial memorandum, I was struck by the number of detailed points that outline the basis on which and the provisions by which the estimates were arrived at. That suggested to me that a lot of careful thought had been given to the matter. It also suggested to me, given that there are 95 clarifying points, that confidence in the figure of £198 million must be relatively low, with good reason and with every justification.

This is a question that I often ask at this committee: how confident are you and your supporting official in that figure, on a scale of zero to 10, where zero is no confidence and 10 is 100 per cent confidence? With 95 clarifying points, I think that the only thing of which we can be certain is that £198 million is not accurate.

Douglas Ross: I would say that £160 million of the current budget is not enough, which is why I am asking that we spend more money on this issue. I will go back to the point that I could have picked a figure that is wildly different from the £198 million that we get to for the increase required for the bill, and still not have been able to give you an accurate figure on your scale of zero to 10.

Michelle Thomson: I am not asking for an accurate figure on a scale of zero to 10. My question specifically was: how confident are you that the figure of £198 million is accurate?

Douglas Ross: Well, it is accurate in terms of the data that we have in front of us, so I give it a 10 on accuracy, based on what we have. If your question is whether I think that it will cost £198 million every year, the answer is no—I cannot give that commitment, because of the significant variation in the figures and the range that we have had to include. Ultimately, it could be seen as a failure for me if the bill ends up costing more money but, if that is because more people have the confidence to come forward and seek the treatment that they want and need, I will accept that criticism, because more people will be helped as a result.

Michelle Thomson: That is the rub. In the figures that we have pulled out today, we have known unknowns—my colleague Ross Greer brought out some of those—but we also have unknown unknowns, about which none of us has a clue. Plus, there is your point that, if the bill were to be passed and become a success, the figures could be quite startling because of the increased provision that would be required.

This committee, including the Conservative members, is very vexed about fiscal sustainability. How do you think the unknown unknowns and known unknowns would factor into the fiscal sustainability of Scotland's public finances if the bill were to be passed? What reflection have you given to that?

Douglas Ross: I now know how the press team felt when Donald Rumsfeld was speaking about known unknowns and suchlike all those years ago.

I have wrestled with that challenge throughout the process. When I first saw the outcome of the financial memorandum, I expected the figure to be higher—there is no doubt about that—and I actually think that I might have had an easier time at committee if it had been significantly higher. That is because the respondents are very clear that they think that it is an underestimation of the amount of money required. However, I cannot back that up. In coming up with the figures in the financial memorandum, we looked at other methodologies, and they all had significant pitfalls that would have met with the same problems that you are discussing today.

On fiscal responsibility, I go back to Dame Carol Black's point that £1 in intervention gets us £4 back elsewhere in the system. Yes, we may end up spending more than £198 million, but we will end up saving more lives and we will also end up saving more for public services generally through the savings that she has identified.

Michelle Thomson: The question was actually about fiscal sustainability.

Douglas Ross: Sorry.

Michelle Thomson: The committee has raised the issue that we are committed to a number of benefits in Scotland that are demand led, and that the draw on those benefits is increasing, against the backdrop of a fixed budget. That is why we are using the terminology around fiscal sustainability. The bill would be exactly the same, because the right would be enshrined in law and, the next thing we know, we would potentially have the Scottish Fiscal Commission saying, "Well, as a result of the bill's success and more people coming forward, we have a very steep curve that, alongside the one for social security benefits, greatly affects our fiscal sustainability."

I think that the convener, in his opening questions, said that we cannot predict the timescales for when the £4 of savings for every £1 will kick in. Therefore, we could be setting ourselves on course for massive cuts in other areas, because we cannot break the law and we have a fixed budget. That is the point that I want to bring out.

I have one other question. Having looked at the 95 points in the financial memorandum, which I have to say are very good, I was quite surprised by the relatively narrow bandwidth between the low and high year 1 costs. I would have expected that to be considerably higher. What was the thinking behind that?

Douglas Ross: That is based on trying to determine whether the change would be 50 per cent or two thirds, so the band is actually quite limited. That goes back to the answers that I gave to Mr Mason. That is my answer to that point.

Michelle Thomson: Okay—I get your point.

Have you done any research—you may well have done, and I have missed it—on other countries that have taken a legislative approach rather than a principled human rights approach, for example? Has any other country done this?

Douglas Ross: I have looked at this for Scotland, because it has the biggest problem in the United Kingdom and across Europe. As for going down the legislative route, I know from discussions about Ms Smith's bill in my committee that some are concerned about putting things on a statutory footing and into legislation instead of just allowing processes to take their course.

The fact is that these processes are not working. People are being told that treatment is the right option for them, but they are not able to get it, because of availability, because of cost and for a number of other reasons.

Michelle Thomson: But my question was: are you aware of any other country that has enshrined this in legislation instead of taking a principled approach? I am not aware of any, but you are obviously across the issue. Has any other country enshrined this in legislation in the manner in which you are proposing?

Douglas Ross: With that caveat—that is, in the manner that we are proposing—my answer would be no. That is my understanding. We have looked at that, and we have also—

Michelle Thomson: What do you think the reason for that is?

Douglas Ross: I was going to say that we always look for international comparisons, but the reason might be that other countries do not have Scotland's shocking drug and alcohol death rates. The fact that we are the worst in the United Kingdom and across Europe means that we have to do something different here, and I think that it is incumbent on the Parliament to look outside the box. As I said to Mr Mason, if we continue to do the same thing time and time again, we should not be surprised that the results—that is, the number of people dying—remain the same. We have to look at something different, which is why I think

that having this unique approach in Scotland is right.

Michelle Thomson: If the bill does not go through as you intend, what is your plan B?

Douglas Ross: I have learned a lot from Ms Smith's bill and the discussions that Mr Greer, Mr Mason and I have had on our committee in that respect. It is important that we look at alternatives.

Going back to Mr Hoy's point, I think that the bill continues to raise awareness of this issue. Indeed, we have seen the submissions that you and the Health, Social Care and Sport Committee have received and which shine a light on a number of these areas.

Moreover, as I said in my opening remarks, I think that what we have come up with—and I have specifically mentioned the non-Government bills unit, Stephen Wishart and Annemarie Ward—is very good. I also like the fact that the cabinet secretary, in his letter in response to your call for evidence, has said that he agrees with

“the intended outcomes of the Bill”.

However, I am also willing to look at and accept any amendments that are lodged.

Ultimately, though, I do not want to say that I would accept far less than the bill, because that would allow ministers and others to aim for that something far less rather than what is in the bill, which I think is crucial. We need more availability of rehab beds and forms of treatment that can help and support people with addiction issues. That will require further commitments from the Government, which is why we have put in an increased budget. The Government needs to continue to prioritise the area and back it up with the funding that is required.

Michelle Thomson: Thank you.

The Convener: That has exhausted committee members' questions, but I still have one or two more.

Going back to the issue that John Mason raised of the £38 million, I think that the concern is not with the policy issue itself but whether the figure is accurate. In other words, the issue is not where you find £38 million, but whether the £38 million—or even the £28 million mentioned—is the right figure.

Even if it were, the Scottish Ambulance Service has said:

“In a time of economic downturn with current budget cuts and constraints it is challenging to imagine how the costs of providing what is outlined in the Bill could be achieved not to mention the ability to develop the associated workforce and infrastructure.”

COSLA, too, has said that

“whilst we agree there would be significant initial costs, we do not agree that there would be a flattening and declining costs in the medium-to-longer term.”

That is notwithstanding the fact that it has access to the same Dame Carol Black report that you have. Moreover, I note that Alcohol Focus Scotland has said that

“estimates for additional investment in services contained in the Financial Memorandum to deliver the aims of the Bill fall short of what is required to ensure equitable access to all of those requiring support.”

You have said that you have used the databases that are available to come up with the £38 million figure, but one of the things that has come through in the evidence that we have received is that there has been an underestimation of on-going and capital support. The Aberdeen city alcohol and drug partnership, which you have touched on, says:

“The Bill uses baseline figures and assumes those figures can all be attributed to a proposed narrow definition of substance use ‘treatment’ with a clinical diagnosis. In reality the current pot of resource available will also go into a wider range of activity drug education, children / family services, justice services, a huge range of third sector services, injecting equipment provision, harm reduction, justice services, consumables, medicines, travel, administration and other indirect costs such as recruitment and training ... To achieve the proposal of all existing funding going into the defined list of ‘treatments’ there would be huge reductions in cross system activity and a significant impact on indirect costs.”

10:45

The committee took evidence on the National Care Service (Scotland) Bill. As you know, we were unhappy with that financial memorandum, and the Government came back with another. We were also not happy with the Police (Ethics, Conduct and Scrutiny) (Scotland) Bill’s financial memorandum, because it was not as up to date as it could have been, and we had the cabinet secretary come back to us in that regard. Given the kinds of issue that have been raised in the submissions that we have received, the fact that there appears to be an underestimation in on-going cost—capital and so on—and that, as you said yourself, the financial memorandum was prepared before the change in employer national insurance contributions was perceived, is there an argument for revisiting the financial memorandum?

Douglas Ross: That depends on whether I have another 90 minutes in front of your committee, convener, because I might not be willing—[*Laughter.*]

The Convener: I think that we have been very fair and very open.

Douglas Ross: I said it in jest.

Things have definitely come out since the bill was introduced and the financial memorandum was written. I mentioned Audit Scotland’s 2022 report; its 2024 report came out after the financial memorandum was submitted. I am therefore happy, whether instructed or otherwise by the committee, to look at some of the areas that have materialised since the financial memorandum was submitted and to look at some of the updated issues and challenges that are faced by both the sector and other bodies that have made compelling submissions to the committee.

I repeat, however, that a lot of Audit Scotland’s concerns are over wider funding issues that come down to the challenges for local government and national Government and, as you have said, the changing circumstances that are due to UK decisions.

The Convener: That would be very helpful to you in getting the bill through. I will not go through the further comments that have been made by the Aberdeen city partnership, but you will know that it has raised a number of concerns around housing, employment, deprivation and the long-term availability of substances. If those issues could be looked at and you could come back with something a lot more robust, that would be very helpful.

I turn to Dame Carol Black’s comments about preventative spend, which, arguably, the bill involves. We and our predecessor committees have wrestled with that topic since 2011, and it is an absolute nightmare. Whenever we look at the budget for the forthcoming year or slightly further ahead, many organisations come to us and say that, if we will just spend X amount this year, they can save us three, four, five, six or seven times more in some indeterminate period ahead. Therefore, if more could be done to pin down the relevant savings over a specific time period, that would also be very helpful.

In saying that, I think that this has been a very worthwhile session, and I appreciate the responses that the committee has received.

Douglas Ross: This has been my first committee appearance on the bill. It has been useful to tease out some financial and data issues at this point. I am sure that those will also be considered by the lead committee. I take on board the points that members have raised and will seek to come back to you with that additional information.

The Convener: Do you have any further points that you feel that we have not covered?

Douglas Ross: There is one point that I had thought that I would get in earlier. On residential rehab beds, it was a commitment of a former First Minister to increase the percentage of drug and

alcohol treatments that is made up by residential rehab from 5 per cent to 11 per cent. The figure of 11 per cent is included in the financial memorandum, at paragraph 35, because that is the European average. Again, the idea is to get our figures up. It is important to get on record the point that the aim is to get us up to levels that are seen elsewhere in Europe.

The Convener: I recall that that commitment was made by Nicola Sturgeon.

The only other point that I want to make is that I neglected to give the apologies of Michael Marra, which is why people reading the *Official Report* will wonder why he has been so silent this morning. I belatedly give his apologies.

Thank you very much.

Douglas Ross: Thank you.

The Convener: We will have a short break before agenda item 2.

10:49

Meeting suspended.

10:57

On resuming—

Subordinate Legislation

Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2025 (SSI 2025/41)

The Convener: The next agenda item is an evidence session with the Minister for Public Finance on the Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2025. The minister is joined today by Jonathan Waite, the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill team leader at the Scottish Government. I welcome them both and invite the minister to make a short opening statement.

The Minister for Public Finance (Ivan McKee): The Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2025 specifies the standard and lower rates for the Scottish landfill tax, which will apply from 1 April 2025 and are consistent with the rates set out in the Scottish budget for 2025-26, as published on 4 December last year. The order sets out that the standard rate will increase from £103.70 to £126.15 per tonne and that the lower rate, which applies to less polluting, inert materials, will increase from £3.30 to £4.05 per tonne. Members may wish to note that those rates match the United Kingdom landfill tax rates for the 2025-26 financial year, as confirmed in the October 2024 UK budget.

The Scottish Government has continued acting to avoid any potential for what is referred to as “waste tourism” emerging as a result of material differences between tax rates north and south of the border. The increased rates are intended to provide appropriate financial incentives to support the delivery of the Scottish Government’s circular economy, climate and sustainable resource goals.

I am happy to answer any questions.

The Convener: Thank you for that opening statement. Do you really think that, if you were to put the tax on inert waste up by £1 you would have vast numbers of lorries charging over the border in order to avoid tax? Given what it costs to ship such material, including the cost of fuel, payment for the driver and depreciation of the value of the lorry, that is kind of nonsense, is it not? I can understand the argument about non-inert waste, but it seems a bit bizarre that this tax has been devolved for umpteen years without there being a penny differential and that we still get a ludicrous statement every year about inert waste tourism. Surely we can think up our own tax for that. If it cost a fiver, we could make an extra few bob for the Scottish Government and there would not be a queue of trucks at Berwick trying to dump waste in Northumberland.

Ivan McKee: I take your point. It is my understanding that the Welsh Government has done that by increasing the lower tax rate to £6.30.

The Convener: To be fair, it has always been bolder than us.

11:00

Ivan McKee: We will look at how the Welsh policy operates. If there were potential for waste tourism, that would be geographically easier to do from Wales into England than from Scotland into England. We will see how that works, take a sense of it and consider it in our deliberations on the tax for the next year.

Ross Greer: We have had the landfill tax for a while now, as have Wales and England. Why has the Scottish Government not looked into the potential for a differential rate before this point?

Ivan McKee: The principle has always been that we do not want to get into an environment where we would be concerned about waste tourism—if you want to call it that. The whole intention is to drive behavioural change through the tax and other policy measures. The trends are clearly moving in a downward direction for both inert and non-inert waste. That is the primary policy intention.

However, there is scope for us to look at what differential rates could do. We need to assess how much additional income that would raise. In the context of the revenue that is being raised reducing significantly anyway as a consequence of the behavioural change that the tax is driving, I am not sure that any increase would make a significant difference.

Ross Greer: I would certainly welcome that additional work happening. It seems that the single deciding factor in setting the rate in Scotland is the rate in England. However, we have our own climate targets and waste reduction targets. What regard has been given to the impact that setting the landfill tax rate at an equivalent level to the English rate would have on the targets that we have set in Scotland?

On all those targets—climate emissions, waste reduction, circular economy and so on—our targets are either more ambitious than England's or we have targets in areas that they simply do not have. It seems that there is a dichotomy, because the tax is one of the key drivers for meeting those targets. The rate that we have set it at does not seem to be based on what we would need to do to hit those targets; it seems to be based entirely on the rate that the UK Government has set in England.

Ivan McKee: You would need to have an evidential base for doing something differently. I

suppose that we are working in three dimensions. We are first looking at—as the convener said—how much money an increase would raise. I am looking at the data that is in front of me. Officials will correct me if I am wrong, but there seems to be about 110,000 tonnes at the lower rate, so a £1 increase would bring in an extra £100,000. That would be welcome, but it would not shift the dial on the budget.

If you start to increase that rate by too much and the differential grows, is there the potential for waste tourism? That is the last thing we want, because it makes everything more difficult.

Then there is the question how the current rates are driving behavioural change. With the numbers coming down year on year, it looks as though the tax is having the intended policy impact of driving such behavioural change. However, I would be happy to look at the evidence and to do some modelling as best we can with the information that we have to see what making some changes in future years might deliver.

Ross Greer: I would certainly welcome that. I entirely understand the risk of waste tourism—none of us wants to see that. My concern is that, as is so often the case, we are not hitting the targets that have been set in legislation by the Parliament in relation to emissions reduction, waste reduction, recycling and so on. It seems that one of our key levers is not based on the targets that have been set by the Parliament; it is based on a very risk-averse response to what the UK Government's policy making is for England. I would certainly welcome that work being done ahead of the next budget.

Ivan McKee: Sorry, convener—I just want to correct the record, I have just noticed in my notes that there were about 600,000 tonnes at the lower rate, and 110,000 tonnes of that was soil. There was other material in that figure as well, so it is more significant, although not in the big scheme of things.

The Convener: If the figure were to be 600,000 tonnes and you put the tax rate up by a fiver, there would be an additional £3 million in revenue for the Scottish Government. Folk will not drive across the border from Motherwell or Aberdeen to save a fiver per tonne—they just will not. It seems sensible to be somewhat bolder on this, and I hope that the Government will look at the rate next year.

Ivan McKee: Indeed, we shall.

The Convener: Agenda item 3 is formal consideration of motion S6M-16546. I invite the minister to speak to and move the motion.

Motion moved,

That the Finance and Public Administration Committee recommends that the Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2025 (SSI 2025/41) be approved.—
[Ivan McKee]

Motion agreed to.

The Convener: The committee will publish a short report setting out our decision on the instrument following the meeting. I briefly suspend the meeting to allow officials to change position.

11:05

Meeting suspended.

11:06

On resuming—

Public Services Reform (Scotland) Act 2010 (Part 2 Further Extension) Order 2025 [Draft]

The Convener: The next item on our agenda is evidence from the Minister for Public Finance on the draft Public Services Reform (Scotland) Act 2010 (Part 2 Further Extension) Order 2025. The minister is joined by Angus Macleod, head of the public bodies support unit for the Scottish Government. I invite the minister to make a short opening statement.

Ivan McKee: Public service reform is a huge challenge, but a proper and appropriate use of the correct levers can directly support the Government's priority of delivering effective and sustainable public services. In turn, strong public services are better placed to deliver our key priorities of growing the economy, eradicating child poverty and tackling the climate crisis. The powers that are contained in the order are one such lever. They offer important tools to drive public service reform and can be used to adjust the configuration of the public bodies landscape in order to release funds for front-line services and better meet future needs. In some cases, they can also be used to unlock barriers to reform. At a time when resources are stretched and demands on public services are increasing, public sector bodies need to ensure that services remain affordable and sustainable in the longer term, while continuing to support better outcomes for people across Scotland. In many cases, that will require reform and changes to the way that public sector bodies operate.

The order-making powers will enable small-scale changes to be made in a more proportionate and flexible way than would be possible if we had to find a place in the parliamentary legislative programme to introduce and progress primary legislation. I stress that the use of the orders is restricted to two situations: first, to improve the

effectiveness, efficiency and economy of public service functions—for example, by establishing the Poverty and Inequality Commission as a statutory public body—and, secondly, to reduce or remove burdens on any public or private sector organisation. Section 17 of the 2010 act has been used to reduce burdens on businesses. For example, orders have been used to amend requirements relating to agricultural tenancies and to streamline and simplify the planning system. Those powers are subject to safeguards in the 2010 act, under which any proposed changes to primary legislation through the order-making powers are subject to rigorous examination and scrutiny. A strict super-affirmative procedure applies to any order that is made using those powers. The responsibility remains with public bodies to address and to try to resolve any issues by other means before turning to the order-making powers.

The public consultation on the powers went live on 16 December last year and ran until 10 February this year. It received 21 responses, mainly from organisations. Sixteen of those responses agreed to extend the powers by a further five years, four opposed the extension and one was neutral. Reasons that were given in favour of the extension included supporting more effective and efficient operations and providing the flexibility to effect change. The small number of responses that opposed the extension of the powers mainly focused on the potential for abuse of the powers or the potential for the Government to reduce the authority of public bodies. I believe that those concerns are addressed by the safeguards in the 2010 act.

I conclude by reminding the committee that, unless the Parliament renews the order-making powers every five years, they are lost forever. The Parliament last renewed the powers in June 2020, so they must be signed off by the Parliament by 2 May this year if they are to continue from June 2025. I look forward to answering the committee's questions.

The Convener: They will be “lost forever”? You are saying that there is no pressure on the committee, then.

One thing that is said under your policy objectives is that the order will make things

“more streamlined and flexible than primary legislation”.

Has the Scottish Government considered at any point trying to make the process of primary legislation more streamlined and flexible?

Ivan McKee: That is a good question. I am sure that my colleague the Minister for Parliamentary Business would be delighted to come to the committee and comment on that. However, I will say that we are always striving to make processes

within Government more effective and efficient. I am sure that any thoughts on how we can do that in the legislative process would be very welcome.

The Convener: It is interesting that, in point 3 of the letter from the finance and resilience directorate of the Scottish Parliamentary Corporate Body, there is a thing called “Ministerial salary sacrifice”. You look reasonably comfortable, despite your hair shirt today, minister. You will be glad to know that the committee had a whip-round for you before you arrived this morning, given the 15-year voluntary—I would put “voluntary” in inverted commas—freeze on ministerial salaries. The letter also says that there is no intention of changing that freeze. In my view, it is hard to see how the public will continue to value the work of ministers if they do not seem to value it themselves.

Ivan McKee: That is a matter for the First Minister, and I do not want to say any more on that.

The Convener: Are you suggesting that I should put that directly to the First Minister when he comes to the Conveners Group in a week or two?

Ivan McKee: I would not want to make any such suggestions. I am sure that the committee will make up its own mind on what matters it wants to put forward. I would say that it is genuinely a privilege to serve as a minister in the Scottish Government, regardless of any issues around salary sacrifice.

The Convener: Indeed. I call Liz Smith.

Liz Smith: Minister, I do not have any issues with the order that you have set out. However, it raises issues that we have been wrestling with in the committee for a long time, and our predecessor committee—the Finance and Constitution Committee—in the previous session of Parliament was doing exactly the same. We are all struggling to get a handle on what the criteria are for measuring public sector reform.

I have heard you and Shona Robison say in the chamber several times that there has been quite a lot of improvement in the efficiency of public services. It is not easy to see that, and I think that you would probably agree. Do you have any way of helping the committee to know what criteria we should be looking for to see how well we are advancing with public sector reform?

Ivan McKee: That is a good question. Because it is a complex system, it is not simply a case of one policy intervention making one difference that you can then measure.

We talked earlier about the landfill tax, and there you have a much cleaner line of sight when we make an intervention: we can see the behavioural

change, the tax numbers and how that flows through. On the more general policy ambition, it is the nature of public service reform to have to deal with many interlocking bodies, policies and objectives at different levels.

There is a measure in the amount of money that we can demonstrably save by driving more efficiency across the system. That is one hard measure, and we are focused on measuring savings. There are also measures around what you might call the top line or the ultimate priorities of the Government’s agenda, of reducing poverty, growing the economy and tackling the climate crisis. We have top-line measures, but, as I said, there are clearly many different policy objectives that drive into and can influence those.

I suppose that it is a question of looking for more intermediate measures, many of which are covered in the national performance framework. Again, when it comes to a clear line of sight, many policies and bodies will be impacting that. In some places, it is clearer—for example, in the health service, there is throughput and the number of operations or procedures that are carried out and so on. In other areas, there is a lengthier process before we get feedback on policy interventions. In other areas, it might be easier to measure productivity—within Social Security Scotland, for example.

There is a range of different measures, and we are very open to quantifying some of those if it helps the committee and us to understand them.

Liz Smith: It is a big question, because we are responsible for scrutinising public money. If aspects of public sector reform are working particularly well in saving public money and delivering better outcomes, it is important to the Parliament and the committee to demonstrate that. I am interested in how Scottish ministers or civil servants can provide some of the data that we need to scrutinise that a bit more, because, if we could do that, it could go a long way towards improving how the Parliament works and giving the public some confidence that public sector reform is working.

11:15

Ivan McKee: If we take those harder efficiency measures, we published data on what public bodies spend and the back-office cuts last year, and we will update it this year. That gives us numbers on the total spend on estates in the public sector, on maintenance of those estates, on procurement, on corporate finance, human resources functions, and so on. That data is now available for the first time across the public body landscape.

In parallel with that, we regularly publish data on how much money we are saving in the estates, and that number is £36 million up to now.

Liz Smith: When is that data—

Ivan McKee: It is already available. It was published last November.

Liz Smith: You said that an update was coming.

Ivan McKee: We are working on that now. We are going back out to public bodies at the moment to get data for their 2025-26 budgets. We are working with public sector leaders to understand the best time to do that, but it will be in the next few weeks. We will go out for the next trawl of data, and it will be published towards the middle of this year.

Liz Smith: It will be published later this year.

Ivan McKee: Yes, absolutely. Last year, we did it on historical data, and we are now doing it on budgeted data. We are getting ahead of the curve and we will establish an efficient process. We do not want collection of another big load of data to be put on public bodies. We will update that.

The 2022-23 data is available, and the savings that we have delivered on estates and procurement and other aspects of the hard savings are already there.

Liz Smith: Convener, that might be something that we want to scrutinise.

The Convener: Yes, why not? That is something that we should look at.

Ivan McKee: We would welcome that.

Craig Hoy: The act that we are looking at dates from 2010, so this is the third extension to it. I accept that we need to do something, as having some process is better than having no process, so can you give us some assurance to convince us that this is not just a holy grail and that we are not going to keep renewing it while seeing no material change?

In 2011, the Christie report said:

"It is estimated that as much as 40 per cent of all spending on public services is accounted for by interventions that could have been avoided by prioritising a preventative approach."

You are now talking again about the need for a preventative approach when the Christie report, which was commissioned by John Swinney, came to that estimate of 40 per cent back in 2011. Roll forward 14 years, do you have any basis on which to assess what that percentage is now? Have you made any positive impact in relation to that?

Ivan McKee: It would be difficult to do a true like-for-like comparison, in the sense that a lot of things will have changed in the nature of public

services that we are providing and how we provide them. It would be a difficult comparison, because you are comparing the world as it is now with what it was back then in terms of the range and nature of public services that we provide or, indeed, the demand on them. I am happy to look at and assess the process that was gone through to arrive at that 40 per cent and see whether there is any way that we can update that.

I remember that exact wording in Christie's report. It referred to a previous piece of work that was done—I cannot recall by who—and "up to" 40 per cent was the terminology that they used. I do not think that it was a hard and fast number, but it certainly gives an indication of the scale of the opportunity.

Craig Hoy: Given that we are again talking about preventative spending, it would probably be good to see on what basis it was assessed and whether any progress has been made.

Jumping forward to last autumn, Audit Scotland took up a similar position, in which it said that there is still

"no evidence of large-scale change on the ground"

and that the Government

"does not know what additional funding is required to support reform".

You have put £30 million in the budget this year for invest to save. Can you give the Auditor General some assurance that you are working towards getting an actual figure that you will work towards to leverage in the reforms that ultimately might meet the initial objectives of the act?

Ivan McKee: A number of things are happening there. The invest to save fund is one lever, the orders are another and we have other levers ongoing. We have talked about the estates programme, the procurement frameworks, digitisation and the automation programme that has already saved a significant amount of money, and those programmes continue. The invest to save fund is targeted specifically at the harder-to-crack challenges, such as the cross-portfolio co-operation that is required, and there are improvements that might take a period of time to generate savings.

To directly answer your question on the invest to save fund, that process has opened. We have already received the first trawl back of those submissions. Officials are looking at those now, and I will see them in the next week or two. Then, before the end of this month, we will identify the projects that we are taking forward with regard to investment of that £30 million.

Those projects will identify how much investment they want, what savings they will

deliver as a consequence and in what timescale. As we select those projects and aggregate them, we will be able to answer the question directly and monitor how they are delivered.

Craig Hoy: Finally, the Auditor General said in the same report that the Government

“has not provided enough leadership to help public sector bodies deliver change.”

You had the summit recently, and you are leading the charge, so is your neck on the line in relation to delivering that holy grail?

Ivan McKee: In terms of providing the leadership, absolutely, but you have to recognise that—this is not an excuse; it is just the reality—public bodies are not subsidiaries of ministers. They are operationally independent to varying degrees. Although we control the amount of funding that we allocate to them, the effectiveness with which they adopt efficiency measures can be variable, frankly. That is why it is important that we continue to work with public sector leaders.

The governance board, which will have its first meeting by the end of this month, will contain public sector leaders and private sector-experienced individuals with experience in the area. We are seeking to roll out more measures for monitoring workforce and recruitment in public bodies. We continue to collect more data on how public bodies choose to spend the money that the Scottish Government allocates to them. All of that is about moving us in the right direction on having better data, more coherent policy and strategy, more engagement and, frankly, more empowerment of public body leaders, so that we can work together to seize those opportunities.

Craig Hoy: Finally, finally—sorry, convener—you identified the concept of the single authority model in relation to health boards and councils. Is that a lesson that you should roll out through Government more widely, given that you say that it is quite difficult for you as the minister in charge to drive reform? Do you need to consider coherence in relation to the number of public bodies that are out there?

Ivan McKee: The number of bodies is one thing, but if that was the only objective—we talked earlier about objectives—we could miss the point there. We consolidate public bodies where it makes sense to do so. We have started work to look at the number of public bodies in each portfolio and whether there is scope for them to work more closely together in clusters. We are already organically creating those clusters, and some are further along that road than others in sharing resources.

Where there is a clear case that consolidation of public bodies makes sense because it will deliver

a cost-effective solution and better services, that is very much on the cards.

The Convener: We talked about zero-based budgeting in the committee after our visit to Estonia, where the Government is doing that at a departmental level. Of course, it is done quite a lot in many areas of the private sector. Might you take that approach to some of those public bodies? It seems that some of them are there because they have always been there, but you could look at them and ask what their core activity is and whether it has to be that organisation that delivers that activity. Could you look at public bodies in that way?

Ivan McKee: Absolutely, but we need to be careful about what we mean by zero-based budgeting.

The Convener: Indeed.

Ivan McKee: To flip that, one of the big criticisms that we rightly get from the third sector and many other organisations is that we do not have multiyear funding, and that affects zero-based budgeting. We go back every year with a blank piece of paper and decide who is going to get the money. Rolling that uncertainty out more widely across the public sector could cause more challenges than it solves problems, so we need to be careful about what we mean by zero-based budgeting.

That said, this is about taking a step back to consider the purpose and deliverables of a group of public bodies in a particular part of the landscape and whether the current configuration is the most effective one or whether we should do things differently. At that point, you would start with a blank piece of paper when considering the minimum number of bodies that would be needed to deliver what you wanted and whether it would be cost effective to make a transformation.

The Convener: That approach would not have to be taken every year, but it would be useful for organisations that have been around for decades.

Ivan McKee: It would be a multiyear approach, because, by its nature, it would take a longer period. You would not do that wholesale; you would look for the low-hanging fruit. To be honest, we have done that in relation to the police and colleges, and we have cited other, minor examples in which the functions of bodies have been brought together. We will continue to look for ways to do that.

The Convener: Incidentally, to jump back a bit, I worked out, while we were having this discussion, that the £490,000 that will be saved by ministerial salary sacrifice in the next financial year is less than the money from putting £1 on 600,000

tonnes of inert waste for a year. I just want to provide that perspective.

Ivan McKee: I will try to get my head around that.

The Convener: Agenda item 5 involves formal consideration of the motion on the instrument. I invite the minister to move motion S6M-16547.

Motion moved,

That the Finance and Public Administration Committee recommends that the Public Services Reform (Scotland) Act 2010 (Part 2 Further Extension) Order 2025 [draft] be approved.—[*Ivan McKee*]

Motion agreed to.

The Convener: I thank the minister and Mr Macleod for their evidence. We will publish a short report that sets out our decision on the draft instrument.

11:27

Meeting continued in private until 11:55.

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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