OFFICIAL REPORT
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Finance and Public Administration Committee

Tuesday 17 February 2026

Session 6

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FINANCE AND PUBLIC ADMINISTRATION COMMITTEE
7th Meeting 2026, Session 6

CONVENER

*Kenneth Gibson (Cunninghame North) (SNP)

DEPUTY CONVENER

*Michael Marra (North East Scotland) (Lab)

COMMITTEE MEMBERS

*Patrick Harvie (Glasgow) (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:

Professor Paul Cairney (University of Stirling)
Sarah Davidson (Carnegie UK)
Dr Ian Elliott (University of Glasgow)
Claire Hughes (Scottish Government)
Craig Maidment (Scottish Government)
Ivan McKee (Minister for Public Finance)
Alison Payne (Enlighten)
Shona Robison (Cabinet Secretary for Finance and Local Government)

CLERK TO THE COMMITTEE

Joanne McNaughton

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Finance and Public Administration Committee

Tuesday 17 February 2026

[The Convener opened the meeting at 09:02]

Legacy Issues (Public Administration)

The Convener (Kenneth Gibson): Good morning, and welcome to the seventh meeting in 2026 of the Finance and Public Administration Committee. We will continue taking evidence on legacy issues in order to inform a report to our successor committee. Today, we will focus specifically on the public administration part of our remit. We will hear from the following witnesses in round-table format: Sarah Davidson, chief executive of Carnegie UK; Alison Payne, research director at Enlighten; Dr Ian Elliott, senior lecturer in public administration at the University of Glasgow; and Professor Paul Cairney, who we will soon be joined by and who is a professor of politics and public policy at the University of Stirling.

We have apologies from Michelle Thomson, who is unwell, and Michael Marra will be joining us soon. I welcome everyone to the meeting and thank the witnesses for their written submissions.

I intend to allow around 90 minutes for this session. If you would like to be brought into the discussion at any point, please indicate that to the clerks and I can call you—I see that Liz Smith is fired up already, but we will start with Sarah Davidson.

Your written submission says:

"A Scottish Parliament committee should continue to have an explicit remit to scrutinise public administration over the next parliamentary term".

As you know, that statement is hitting the wires this morning, and there is a lot of coverage of it. Will you discuss what you said in your submission, why you feel that this is important and where specifically in the Parliament it should be embedded?

Sarah Davidson (Carnegie UK): Thank you for the invitation to give evidence. As I indicated in that submission, it has been hugely valuable to have a committee during this parliamentary session with the role of looking at public administration.

Inevitably, individual committees that are aligned to the portfolios that ministers have in the Scottish Government will tend to focus on policy proposals or the delivery of things in those portfolios. For committees to be able to look across the work of Government as a whole and to ask questions about how the Government has done things, rather than what it has done, has huge value.

It has been particularly helpful when this committee has looked at questions that were connected to public service reform or the national performance framework—which are, in essence, about how the Government arranges and organises the delivery of policy across the whole Administration—and when it has been able to ask questions about whether things are being done as efficiently or as effectively as they might be and to build up a degree of expertise in that area, because some of those things are quite complex.

As I noted in our submission, the question that you asked about where finance should be in the Parliament is really significant. Finance has sometimes been seen as a bit separate from other things, and we at Carnegie UK are really interested in the connection between the resources that the Government has and how it deploys those resources in order to achieve outcomes. The ability of a committee of the Parliament to look not only at the resources but at how they are deployed in pursuit of strategic goals is really significant.

As we have described it, we think that there are mutually reinforcing benefits of having scrutiny of budgets, resources and administration sitting in the same place. The committee has started to demonstrate the benefit of that. Not only do we think that a committee in the future should have responsibility for looking at public administration, but we feel that allying that committee to the one that has responsibility for budgets has real potential.

Liz Smith (Mid Scotland and Fife) (Con): I am very interested in what you have said about that. I assume that you would prefer the committee that takes on that role to have finance and public administration within it, rather than having separate committees. What should happen in the Parliament is that all committees hold the Government to account on everything, but you are quite right that people tend to look in their silos and do not always see that broader picture. Is it your recommendation that the next Parliament should have a finance and public administration committee? Am I right to say that you are not trying to separate those remits?

Sarah Davidson: Yes, that is the case. I was interested that the note that the clerk prepared for this meeting referred to the committee's interest in the model of a committee for the future. We might go on to speak about that later. That is a separate question—it would potentially be possible to have a committee that did that and had a slightly different remit from finance and public

administration. However, you could also potentially build into a finance and public administration committee a particular responsibility for scrutinising the Government for its ability to take a long-term view and to embed data into decision making.

Liz Smith: You mentioned that this committee has taken on quite a large role when it comes to the scrutiny of public administration, particularly of things such as public sector reform. If the next Parliament were to have a committee with the same remit—finance and public administration—would you like to see anything else in that scrutiny role in relation to public administration?

Sarah Davidson: "Public administration" is a broad term—I am sure that some of my colleagues who are academic experts in public administration will have more to say about that—and, as a result, there is quite a lot of scope for embracing things in that remit without having to specify them at the outset.

From my perspective, finance and public administration is a sufficiently broad remit to allow a future committee to examine aspects of how Government is organised and conducted in Scotland, which would help the Parliament with its accountability and scrutiny role more generally.

Liz Smith: That is an important area. The situation with one of this committee's predecessors was that finance went with the constitution, which was seen to be far too big and cumbersome a remit. It did not have the adequate scrutiny that was required—although I must say that that committee did pretty well in difficult circumstances.

I have been here for 20 years and I have seen that, in some areas, the scrutiny—the holding of the Government to account—is not particularly strong. That is not a party-political comment; I just do not think that it is strong enough. When it comes to the future of the Parliament, do you feel that we should be doing anything else?

Sarah Davidson: It would be interesting for a successor committee to think carefully about where the public administration will need to be strong in order to meet the challenges of the next five to 10 years. I wonder whether that is the starting point. It is evident that there will be significant fiscal challenges for the next Administration to manage. Therefore, the choices that the Administration makes about how it deploys its resources, how it organises itself and how it uses data to support decisions—all those kinds of things—seem to be the most important issues to ask the next Administration questions about. There is a little bit of form following function.

Liz Smith: Thank you—that is helpful.

The Convener: It is quite interesting that you say that you feel that the Finance and Public Administration Committee remit that we have now should more or less continue, because the Finance Committee that I chaired from 2011 to 2016 was just a finance committee. It then evolved into the Finance and Constitution Committee, which, as Liz Smith pointed out, was something of a shotgun marriage. Do you feel that the right structure is for the finance committee to be interlinked with public administration? I would be keen to hear others' views on that.

Sarah Davidson: I think so. There is a bit of thinking to do about whether public administration could sit any more obviously with any other committee, although I do not think that that is necessarily the most helpful way to think about it. There is no doubt, particularly given the way in which the Scottish Government structures itself and the way in which it tries to govern policy, that it makes a very strong connection—at least in theory—between the outcomes that it is trying to achieve, the way in which it organises itself to achieve those and how it spends its money to that end.

Not only this committee but other committees have made comments in reports over the past few years about the lack of a clear connection between money being invested and the long-term goals that the Government has committed itself to. There is therefore a potentially strong synergy that this committee can hold around the scrutiny of the way in which the Government decides to spend its money, the outcomes that it is trying to achieve and the way in which it governs that.

The Convener: There is also an argument, which others might raise, that it should be an independent committee. All the committees need to be covered effectively with members, so I suppose that it is about trying to get the optimum balance.

Craig Hoy (South Scotland) (Con): Good morning. In your submission, you seem to place a lot of strategic importance on the national performance framework, which is subject to review at this point. We expect the new framework and outcomes to emerge early in the next session of Parliament. If that is going to be the centrepiece of how we hold the public administration to account in Scotland, or one of the central pillars of that, what does that framework need to look like?

The criticism that has been made on a cross-party basis, including from ministers, is that the framework has not been fit for purpose and has been far too woolly. If it is going to be a fundamental pillar of the way in which we hold the public administration to account, what does it need to look like and what should be the outcomes? By

common consent, they are too nebulous at the moment.

Sarah Davidson: I declare an interest as I have been a member of the advisory committee that is working with the Scottish Government on its review of the national performance framework, but I will not say here anything that I have not said in private there, too.

Two important things have been missing in how the national performance framework has operated in recent years, which I will be looking for the review to address. The first is a lack of a clear articulation or connection between the priorities of the Government of the day and the long-term goals for Scotland. If you look at the national performance framework in its international context of the way in which so-called wellbeing frameworks are developed, you see that such frameworks are designed to set long-term goals that the population at large and, ideally, all political parties recognise as being a vision for the country; they are not something against which you measure your progress every six months or whatever.

It is therefore important that the Government of the day is able to articulate how its priorities—the things in its manifesto and the things that it puts in its programme for government every year—will make progress towards those long-term goals. Different parties will have different views about the best means of doing that and, for me, that is where the democratic legitimacy sits.

To date, there has been an insufficiently clear connection, with the result that, understandably, Parliament and others try to draw a direct line between small programme bits of work and the long-term goals, which does not work, because they are too ill-defined for that. I would want to see a much clearer description of how the work of Government connects to the long-term goals.

The second thing that I would like to see, which came through clearly in the committee's report on the NPF, is a much clearer articulation of the ways of working in administration that are more likely to lead towards positive long-term outcomes. Embedded in the Welsh example, which takes a similar approach to policy governance, are stipulated ways of working that Government and public bodies need to adopt, including collaboration and a focus on prevention and long-termism. There is also support in the system for individuals and organisations to learn how to work better in that way.

09:15

Part of our critique of the national performance framework is that insufficient attention has been given to how individuals and organisations would work differently if they were working within such a policy governance model. That aspect was much stronger when the NPF was first put in place in 2007, and it has become a bit lost since. It is interesting that the public service reform strategy starts to articulate some ways of working like that, but it is unclear on how those ways of working will be embedded across systems.

My view is that a restatement of the value of the NPF as a shared national set of goals, clarity about how an individual Administration will contribute to that, and support for and focus on the ways of working that are likely to deliver outcomes—rather than simply focusing on inputs and outputs—would at least be a significant step forward.

Craig Hoy: You have referred to—and the Scottish Government repeatedly refers to—the importance of preventative spend. In other words, prevention—whether of social or healthcare ills—is better than cure, and it is significantly cheaper than cure. To what extent does the Government need to get smarter at identifying actual elements of preventative spend, rather than just badging the latest project of the day as preventative when it could still lead to greater expenditure and acuity of problems further down the line?

Sarah Davidson: Professor Cairney made the point in his evidence to the committee that there has been an aspiration to invest more in and shift systems towards prevention for a long time. All Governments find that difficult to do, and it does not get any easier as money becomes more constrained.

However, there is no doubt that the only hope for tackling some of the big problems—which have big costs, not just in a fiscal sense but for individuals and communities—is to find ways to encourage services to collaborate with each other far more effectively in order to support people and to address and tackle issues much earlier. The 10-year health plan and the recent strategy published by Public Health Scotland are good examples of parts of the public service trying hard to do that, but a degree of honesty about how difficult that is and support for services in making the transition are probably needed.

I agree that performative badging is not helpful, because it risks simplifying something that is very complex. I go back to the convener's earlier question. A committee with a public administration remit can play a really helpful role of getting under the skin of that complexity; understanding the relationship between how money is allocated now and what long-term outcomes we will get for that; and understanding how different bits of the system have to work together across budgets, which is one of the challenges. Where investment in preventative systems and services takes place is

not necessarily where the savings will fall in due course, if the systems are successful.

Patrick Harvie (Glasgow) (Green): Good morning. I only recently rejoined the committee, so I have not spent a huge amount of time on it in the current session, when its remit has included public administration. I was previously on the Finance and Constitution Committee, and I agree that the current remit is an improvement. However, to play devil's advocate for a moment, is there a danger of the public administration framing of the committee's remit feeling a bit like the Department of Administrative Affairs that the writers of "Yes Minister" created so that their principal character could have a role in pretty much any issue that was happening? Is there a danger of there being almost a blurring of the distinction between this committee's remit and the subject committees' remits, particularly if we are talking about potentially challenging public service reform proposals and looking through a principally finance lens at stakeholders and organisations that are experts in their particular remits and subject areas? Is there a danger of conflicts between portfolio remits and the overarching concept of public administration, or of stepping on toes?

The Convener: Before Sarah Davidson answers, I should say that our other guests can also answer these questions if they so wish. They are not all directed at Sarah.

Sarah Davidson: I imagine that committees, particularly those with remits that touch on the work of the subject committees, have to attend to that risk all the time. However, from my perspective, that would not be a reason not to go down that route. There is also something in the way that the finance committee, in all its guises, has probably played a role in raising awareness across the Parliament as a whole of how budgets work, how they are allocated and how to do effective scrutiny of budgets, which is carried out in different ways by all committees. A committee with a public administration remit can play a role in raising the level of awareness and conscious competence and confidence in scrutinising how things are done by all committees.

It is helpful to have a committee with that title and specific remit, but I do not think that that should exclude other committees from taking an interest in how effectively Government is discharging the bit of policy that they are scrutinising. The current committee has gone about fulfilling that part of its remit by choosing quite specific things to look at, and has chosen things that I do not think other committees would have come at in the same way. For me, that is a demonstration of the value that the committee can add by having public administration very explicitly in its remit.

Patrick Harvie: Would anyone like to comment on the implicit meanings that can be drawn from the phrase "public service reform"? There are a great many people working in public services who know that the way that their jobs are delivered needs to change—that things are not ideal and not everything that they could be. However, there are times when the phrase "public service reform" is received as code for cuts or for a retreat of the state from people's lives, which would be the opposite of what the Government says is its intention, which is to better deliver for people.

Do the witnesses feel that those who are most expert in delivering public services—the workforce that is doing it right now—have the opportunity to properly shape the concept of public service reform, in order to ensure that it enables them to do their jobs better and provide better public services, rather than its becoming a proxy for the retreat of the state from people's lives?

The Convener: I will bring in John Mason while folk think about that—we can come back to it if we so wish.

John Mason (Glasgow Shettleston) (Ind): Ms Davidson mentioned the question of outcomes as against inputs and outputs. That also appeared in your paper, Ms Payne, so I will ask you to expand on that.

Your paper says that you were concerned about a lack of data to evaluate outcomes and about a

"focus more on inputs over outcomes."

We have raised this issue often over the years, but is it not inevitable that a Parliament such as this one focuses on inputs—how much money we are spending on things—or have other people got it right?

Alison Payne (Enlighten): The problem, though, is that, if we focus on the inputs, particularly against the backdrop of shrinking budgets, how do we ensure that that money is delivering value for money and helping those most in need? We use the example of free bus passes, but too many communities do not have access to public transport. It is about an overview of how we ensure that we are making the most of the resources that we have. That is our concern in relation to the data that we use.

We need to look at both the short term and the long term. One of our concerns is how we measure over the long term and how we shift the discussion so that if we properly invest in prevention, we actually see the output. That seems to be one of the issues that has come up at different committees. If we properly invest in prevention and prevent the issues from coming up in the first place, where will the data be? It will be two or three parliamentary sessions later before we have that

data, but that does not mean that a policy is not working.

I turn to Patrick Harvie's question about involving people on the front line. One of our concerns is how we involve local government in this discussion. A lot of the people on the front line are in the local government space. In the recent budget, there was an awful lot more money for the national health service, but a reduction for local authorities. That will hit prevention.

When it comes to the broader discussion about public administration, there is an important role for the local government committee—and for local government voices—because otherwise it becomes a sort of centralisation and asking what we can do from the centre. There is an issue about what the relationship is between central and local government in Scotland, 30 years on from reorganisation. It has been one of the difficult conversations that we have not wanted to have—a bit like council tax—but, if you are looking at public administration, you have to look at what that role is, and what that relationship is, and at how we then ensure that those on the front line have a role in public service reform. We cannot deliver public service reform unless we do it in our communities and with those individuals.

Craig Hoy: I will follow up on the point about data and outcomes. Often, the way in which the Scottish Government puts it to the committee in relation to, for example, the Scottish child payment, is to ask, "Who could argue with seeking to eradicate child poverty?". Huge amounts of money are being spent on concessionary travel, for example, but, as you have rightly identified, that does not mean that somebody in Dumfriesshire has any greater access to a bus, despite the fact they would have the freedom to travel without paying if they had a bus service. What needs to be done to pivot away from chasing the headlines with national developments and towards pointing out to the public and the Parliament that there is always an opportunity cost—often, a significant one—in pursuing free bus travel but disinvesting in rural bus services. Another example would be extolling the virtues of the Scottish child payment without pointing out that that £500 million could be spent on reducing child poverty in other ways, such as through employment or better housing for families. What needs to be done to re-engineer that conversation, not only internally but externally, with the public?

Alison Payne: There is a role for Government and Opposition parties to accept that there are no easy answers. I accept that we are a few months out from an election, so nobody is going to say, "Oh, by the way, we've got no money left, so promising freebies for this, that and the next thing is a little bit harder." The reality of—

The Convener: It is a £60 billion budget, so to say that no money is left is a slight exaggeration.

Alison Payne: I am thinking of the problems that we face, such as how on earth we deliver social care.

The Convener: What you mean is that there is not enough money in certain areas, rather than there being no money.

Alison Payne: Yes. It is about choices.

The Convener: If the under-22s are subsidised on buses, that involves a cash transfer to the bus companies, which enables them to be more likely to run a service because more people will use it. The bus companies will get an allocation of funding for that.

Alison Payne: The data does not support that. We have been digging around. In a number of areas, a freedom of information request is needed and the information has to be conglomerated and pulled together. Alternatively, the issue comes up in news stories. Even in urban areas, some kids cannot get a public transport bus to get them to school on time. That should not involve digging around to find information.

It is also about how we work with local authorities—we have to send 32 freedom of information requests to draw the data together to compare and ask how we can learn. For example, there is a difference between Edinburgh and Glasgow bus services. There might be lessons to learn, but something that works in one area might not work in others. Instead of having a national concessionary bus scheme, could the money be devolved to local authorities to decide how they target and support individuals or families that need that money the most?

It is about choices and having that conversation with the public. In the press today, there is discussion over how we fund our universities. I do not think that we should implement the English system in Scotland. That would not be the right decision. However, London Economics has estimated that, if we did, that would free up £1 billion for the Scottish exchequer. That is a choice, and a discussion that we should be having on what the best use of resources is: is it £1 billion for tuition fees, or is it radically fixing our social care system?

It is about having that kind of discussion and getting into the nitty-gritty of what choices and decisions we want to make—and their impact.

09:30

Craig Hoy: Recently, it was put to the committee that not everything can be a priority. The Government makes great virtue of the fact that

it is prioritising eradicating and reducing child poverty at the same time that it is potentially making real-terms cuts to councils. Is the Government being honest enough with the country and saying that, if it has a major policy priority, it has to deprioritise something else when it has a fixed budget?

Alison Payne: Of course it has to do that. There are other issues where we have mixed money. For example, the NHS is a priority and social care does not seem to be, but if we want to fix our NHS, we need to fix social care—there is that kind of understanding. We did some polling that we have referenced in our evidence that shows that the public do not understand how social care is funded. They also do not necessarily understand the relationship between central and local government. It is easy to say, "We have provided 1,140 hours of childcare", but, in practice, how do you find that childcare when you cannot get access to a nursery or there is an issue with how your local authority manages its partnership agreements. That also touches on the points that were made in the committee's report about public expectations. The disconnect between what is said by the Government and how things are delivered in practice is contributing to the feeling of disenchantment with politics.

John Mason: I want to ask Professor Cairney about choices. I am interested in something that you wrote. Your submission says:

"the NPF often gives the impression that a government does not need to make these hard choices",

and then there is the point about engaging the public. Can you expand on how we do that?

Professor Paul Cairney (University of Stirling): The NPF is a happy document; it is very aspirational. One of the things that came out of the United Kingdom Covid inquiry was that people were describing things under oath; it is useful to put people under oath so that they tell the truth about what they are doing.

The then Deputy First Minister used the word "aspirational". A normal description of the NPF would be that it is a tool for decision making, but it has been described more vaguely than that. You see that with a lot of high-level decision making at the United Nations and so on, in that the only way that agreement can be achieved is to make it vague and the hard choices are put away for later. I think that that is what the NPF represents: it is a way of saying, "This is the level at which this all makes sense when it is all combined." However, every choice will challenge that. It comes down to something as basic as the first priority that you pursue, such as economic growth, which would underpin it. You cannot look at the NPF for that, because there are a million and one priorities. It then becomes a confused exercise. The Government could look at how it is delivering economic growth in its manifesto commitments relating to the NPF, but they do not really fit; I do not think that there is a thought process around that.

When I was part of one of the inquiries, we went to visit civil servants and they described having the NPF on their wall; they said, "We are always referring to this thing." I have a picture on my wall of a cat saying, "Hang in there, baby", which I think is just as useful.

The Convener: When we were discussing our guests for this meeting, I said to the clerking team, "We need to invite Paul Cairney, because he has a healthy cynical approach that will be good for the session."

I will add one thing, before I hand back to John Mason. Your submission says that the national performance framework

"struggles to translate this high-level thinking into detailed deliverable action."

Professor Cairney: My impression is that it is not there to do that. I think that it is there to project the sense that it is coherent, but it is coherence at a certain level. It is at the level of, "We want health to inform education and education to inform health. Healthy people can get the benefit of more education and more educated people can be healthier." However, that does not help us to determine how much we should spend on either priority and which outcomes we should pursue, and whether we should get more doctors and nurses. It does not do any of that.

John Mason: I will build on that a little. If we were to speak to our successor committee, should we be saying, "You need to be a bit more blunt with people?" Should politicians be more blunt and say, "We've got hard choices to make", or are politicians just victims of what is happening in society?

The Convener: Politicians as victims?

John Mason: Maybe I should have said "pawns".

Professor Cairney: I do not know the answer to that. My other stock joke is that I am completely unelectable. My description of what I would do would not fly with anyone. I would be the one saying, "If you think about it, I'm not really going to achieve anything here." With some of this, politicians have to perform. They have to say, "This is what I want to do, and I'll put my energy into it. Here are my values, and I will use them to make choices, using my judgment." It is useful when people express aspirations for what they are doing, instead of going straight to saying, "Well, that didn't work out." You need a nice balance.

Michael Marra (North East Scotland) (Lab): Sarah Davidson talked about building consensus around the target, but is there not an unavoidable tension between consensus and intent? Things become too woolly and aspirational. Instead of very bland language, we need what you are describing, Professor Cairney, which is for people to set out what they want to do to get there.

Professor Cairney: It is important for elected policy makers to say in some detail what they want to do and how they would prioritise. That is the bit that is missing. You are facing a trade-off. What do you do at the expense of something else? A manifesto does not really do that; it is just a wish list. The NPF is similar.

It is about priorities, but it also brings in the importance of public administration. Let us think back to the broader principles of the Parliament. It was about recruiting people from a wide range of society with lots of different skills. Very few people will come in with public administration skills. That is okay; the important thing is to have a skilful civil service and public sector that are able to translate those aims into something manageable. Ian Elliott and I are on a journey of being much more positive about things.

The Convener: It has been an uphill struggle.

Professor Cairney: I translated all my gripes into five positive messages. One of them would be that we need a skilful Scottish Government civil service that is well trained and constantly improving its policy analysis and cross-sectoral collaborations.

The Convener: That is a nice segue to Ian Elliott's submission. Ian said:

"The FPAC should consider how best to ensure that the Scottish Parliament has the knowledge and skills to fulfil its duties in scrutinising legislation and holding the Scottish Government to account."

Dr Ian Elliott (University of Glasgow): That sounds quite good, doesn't it?

The Convener: Do you want to expand on how best we can do that?

Dr Elliott: First, a lot of the discussion that has happened so far emphasises why it is important to have a committee that combines finance and public administration. I do not agree with everything that Paul Cairney said about the NPF. It is still quite helpful to have a strategic vision for the country and an idea of the outcomes that you are trying to achieve as a country. However, you need to align your resources to those outcomes and that vision. It is essential to have finance and public administration together because you cannot do anything without having the resources in the right place at the right time. That is absolutely key.

On public administration, I would not accept a caricature drawing on a 40-year-old comedy show. If that is our reference point for what public administration is, we are in trouble. For me, public administration is about protecting the democratic institutions that underpin our system of government. Across the world, many of those institutions are under significant threat, and I do not think that any of us should take it for granted that similar forces will not come here, too. Having strong institutions is absolutely essential to having a democratic system of government, and that involves having a well-trained professional workforce. Again, it is a question of resources—having the right resources in the right place at the right time to enable the Government's mandated role to be achieved. That is why having a skilled and professional workforce is essential.

It has been noted that the public service reform strategy includes plans for cuts to the workforce due to the budgetary constraints that everyone has touched on. If we cut the workforce, two things will come out of that. First, if we are to lose 0.5 per cent of the workforce every year for five years, who will we lose? Will we lose the most experienced staff, or will we find ways of mitigating that to ensure that we retain institutional knowledge, experience and skills in the workforce? The second question is how we protect and invest in the people who will be left, who will be charged with making the significant changes that will need to be made to implement the public service reform strategy.

Those are two significant questions for the successor committee to ask in the next parliamentary session. Thought needs to be given to how we support the civil service and the wider public sector workforce, how we maintain strong institutions of government and how we allocate resources to ensure that the national outcomes are achieved.

Craig Hoy: This question is for Paul Cairney. Recently, the Scottish Government has made great play of co-creation in policy making and working closely with those with lived experience. In your submission, you say:

"Avoid power hoarding at the 'centre'. Co-produce policy with citizens."

That was meant to happen with the national care service, the establishment of which was meant to be a collaborative effort involving all stakeholders, including those with lived experience. However, basically, that crashed against a wall.

I am mindful of the old Henry Ford adage that, if you asked your customers what they wanted, they would say, "Faster horses." Could the result of such co-production be policy inertia, because it involves outsourcing difficult decision making to citizens? Ultimately, people want their

Government to come up with solutions, not to keep asking them question after question in order to avoid taking tough decisions on—in the case of the example that I mentioned—social care.

Professor Cairney: I was determined to be positive. The positive version of the answer to that question is that the Scottish Government is responsible for ensuring that citizens and stakeholders have a meaningful say in everyday policy making. That is the good part. The process does not have to involve delegating responsibility for creating policy; the Scottish Government should take responsibility for making the choices on what comes out of that process.

To make a mildly negative point, it is very difficult to know how sincere any of those processes are, because it is possible for a Government to go through a process simply to be able to say, "You have been consulted. We have done this with you. Therefore, you should be satisfied with the result."

Some of those tensions have emerged in some of the ministerial responses that have been given over the years. Essentially, they have tried to strike a balance between consulting people and telling them that they cannot expect to get what they want out of the process. That is fine, but I am not sure about how we know what it is doing and why. I do not think that much of that process is written down. The Government will say, "There was a consultation. We spoke to this number of people. It went well. We made this decision." That contrasts with the feedback from lots of groups, which say, "We were kind of consulted, but we have no real clue whether it went anywhere."

The Convener: More than 30 years ago, when I was a Glasgow city councillor, the council decided to consult on the closure of seven of its 36 secondary schools. After a very long consultation, the decision was taken—remarkably—to close those seven secondary schools. Rather than deciding to close five or six of them, or even to close different ones, the council decided to close those seven specific schools. The decision had already been made. The council went out to consultation, but there was really no intention of taking any cognisance of it. Of course, everybody who responded to the consultation said, "Please don't shut my school"—blah, blah, blah.

There is an issue with consultation. I consider that "participation" is a better word than "consultation" if people are directly involved and participating in decision making. That example was from three decades ago, and a lot of cynicism has built up since then about how impactful consultation is. To many, it often seems to be a box-ticking exercise.

09:45

Professor Cairney: If you want to go full cynicism, you would simply track the words that the Scottish Government uses for the people who are involved. I forget what term it is using now, but it has previously used "stakeholders", "partners" and "co-producers"—that sort of thing. The Government cycles through language that does not reflect what people are actually doing.

One way to approach it would be to do it properly; the other would be not to pretend. There is an honesty about consultation: you can say that you will put an issue out formally to people, that you will gather views and that you will then make a decision. I would appreciate candour, rather than being told by Government that it wants to co-create something with you when you do not quite believe it.

Patrick Harvie: I was wondering whether we need to consider what we are specifically saying to the next session of Parliament—not just because it follows this one, but because of the characteristics that we expect it to have. Dr Elliott talked about the forces that are undermining democratic institutions elsewhere, and I would like to share the hope that that will not happen here, but, if the polls are right, there will be a cohort from that part of the political spectrum.

Given the number of MSPs who are not seeking re-election, the expectation is that about half of those who will be elected to Parliament will be new. That means that we will have a Parliament that is the least experienced since 1999. Political parties could put more experienced members on a committee dealing with public administration, but, if we are trying to improve scrutiny more generally across the Parliament, how should we advise the next committee to inculcate that culture when the Parliament as a whole is relatively inexperienced? I am thinking about some of the councils down south, where Reform has won control. They said that they had expected to find lots of waste and frivolous spending, but there was none of that. Those are the kind of false expectations that could arise.

The Convener: I should say that three members of this committee are retiring. We do not know whether there will even be the same clerking team in the next session of Parliament. There will be fundamental changes to the committee, even if the remit stays the same. That is before we have an election—not all of us might get back in.

Do you want to respond to that, Ian Elliott?

Dr Elliott: It is an important issue to think about and discuss. Page 7 of the committee paper that was prepared in advance of this session states:

"The Committee found it difficult to identify how key

aspects of the decision-making process and civil service governance work in practice".

That a public administration committee is saying such a thing is a problem. It highlights and stresses the need for this committee to continue into the next parliamentary session and for it to be properly resourced. I hope that whoever sits on this committee—assuming that it continues—will have the experience and capability to scrutinise the next Government, whoever that happens to be. What sort of institutions is the Government leaving behind? Has it strengthened the institutions of government during its time in power, or has it weakened them? Those are important questions for any Government to ask.

Undoubtedly, more work is needed to develop an understanding, both in the Parliament and in the Government, of how public administration operates and how the governance of the civil service functions in principle and in practice.

There are also issues of intergovernmental relations here, which it is important to highlight. One of the things that we have been doing in the centre for public policy is looking at poverty as an example of a policy issue that does not fit neatly within one particular part of Government but cuts across all parts and levels of government. Alison Payne made the point earlier about the importance of local government to these discussions, and it is absolutely essential to have local government take part in this conversation. You need intergovernmental working and a collaborative approach that underpins how Governments work. Again, it is for the future committee to hold to account the future Government on whether it is doing that.

Liz Smith: Professor Cairney, on your point about consultation, do you feel that there is a problem in that regard in the Parliament? In this session, we have seen a very considerable increase in the number of framework bills, by which we mean bills that are not complete when they are presented to the Parliament, with the consultation happening after scrutiny by the Parliament. That has raised concerns for us as a finance committee because of the financial—

The Convener: Sorry, but it is not consultation; it is co-design.

Liz Smith: Sorry, convener. Of course, it is co-design.

That has been a problem for this committee. In about five or six cases that I can think of, there has been a huge issue with the financial memorandum accompanying a bill because it has not been accurate. Craig Hoy mentioned the social care policy, and it was a huge issue there.

The second problem is that it is very difficult to scrutinise effectively if some of the co-design does not happen until after the parliamentary process. Do you think that that is a major problem, and what do you think we should do about it?

Professor Cairney: That is an issue for the Parliament, because it relies on the Scottish Government telling the Parliament what it is doing, as the Parliament does not really have the resources to investigate too much. A lot of the time, it is a case of the Parliament saying, "Tell us what you're doing, and we'll give you an assessment." That would be fine if there was a procedure whereby the Government had to return after a certain point in time to tell the Parliament how it went, maybe as part of a statutory commitment.

As I have found to my cost, co-design, participation and working together require an incredible level of skill in facilitation and conversation. People think that you just turn up with your sticky notes and you can get it sorted, but it is difficult. Part of the difficulty is in trying to document and learn from how something went. Therefore, the role of the Parliament could be to say, "After a certain amount of time, tell us what you did and how and why you did it, and whether it improved the legislation." You could then think about—

Liz Smith: Excuse me, but is that not the problem with not having effective post-legislative scrutiny?

Professor Cairney: Yes. I am now conscious of my age, because I feel as though we have talked—

Liz Smith: It is not as bad as mine.

Professor Cairney: I feel as though we have talked about the lack of post-legislative scrutiny for 20 years or something like that, and the point that I used to make was that it has to connect to pre-legislative scrutiny. To carry out proper post-legislative scrutiny, you must have a pre-legislative process that sets out the exact aims that the Government is seeking to achieve and how you can hold it to account later. The problem is that, when you go through the process, the aims are a little bit vague and then it just becomes a contest to determine success and failure, which does not go anywhere.

Alison Payne: I want to respond to Patrick Harvie's question about the potential growth in populism, the need to strengthen institutions and what could potentially be done. We mentioned in our evidence the committee system and the work that was done by the commission on parliamentary reform about strengthening the committees, which was published 10 years ago. In the next parliamentary session, there will be an awful lot of

new individuals, particularly from a new party, one of whom could be convening the finance committee. What would that mean for this discussion?

The current Finance and Public Administration Committee has a very good reputation—it is award winning and it carries weight. That will not necessarily be the case in the next parliamentary session, so the question is about what can be done now to protect and strengthen our committees. That is why measures such as directly electing committee conveners, instead of convenerships being party political posts, must be considered now. After May, the difference in what happens could really transform the impact of the committees and undermine the good that they can do. Having a conversation about how that could be shifted—

The Convener: I was going to come on to that particular issue, because I do not see directly elected conveners as being a solution whatsoever. For example, you might have 60 new MSPs. Will we even know who those folk are, by and large? People will know who their party colleagues are, of course, but how will we—those of us who are re-elected, if we get re-elected—know who to vote for? We need 16 conveners. After you have taken the ministers out, you will not have many people left who want to be a convener—I will not be a convener in the next Parliament if I am re-elected, for example—so you might have a pool of only 20 folk who are even interested in doing it, and you have to elect 16 conveners out of those. How do you avoid the party whip being used to say, "Okay, it's a free vote, but we'd really like you to vote for Mr X or Ms Y"? I do not see that that will somehow be the magic bullet that improves committees.

Alison Payne: You are right. It is not a silver bullet, but it would certainly be a way to improve things, because it would remove party control over the committee system. The secret ballot has been a success down at Westminster.

The Convener: Westminster has a huge pool of 650 MPs, whereas there are only 129 MSPs here.

Alison Payne: Indeed. The same number of posts would need to be filled, but, instead of the decisions being made by the party leaderships, the decisions would be made by the collective of 129. People can make a case—this has ended up happening at Westminster—for relatively new MPs chairing committees because of their experience outside the House of Commons. There is a way to do it.

Ken Macintosh's commission looked at the idea 10 years ago. It is about trying to take the party politics out of the decision, and I think that it brings a bit of public buy-in to it, because there is transparency and accountability. The committee works for the betterment of policy instead of it being a whipped decision. Over the years, some committees have worked better than others; some have been chaired by independent-minded individuals while others have very much followed what the parties have said and done. There have been inquiries and reports on legislation in which what has been said in investigations by a committee has been entirely different from the committee's final say.

The Convener: I cannot speak for other parties, but there are people in my party who, whether or not they are elected to be a convener by the Parliament, will still be either independently minded or a party hack, as the case may be, because that is just what they are. I am sure that that is the same in other parties. I do not necessarily see that the Parliament electing them as convener will make any difference to individuals. If you are someone who follows the line all the way, how will you change just because you are convener of a committee? People who are independently minded are independently minded, regardless of the whips. I never have any discussion with whips about the work of this committee or with ministers before they attend committee. We do not have pre-meetings or any of that kind of stuff; everything is done completely autonomously. It is really a matter for the individual.

You talked about a new party coming in—we all know that we are talking about Reform. People could say, "We want a democratically elected convener, but we do not want one from that party," or perhaps they will say that they do not want one from the SNP or Labour. I am just not convinced that it will provide party balance in committee convenerships.

Alison Payne: I think that I am right in saying that, in the system at Westminster, it is still the party—

The Convener: I know what you mean. Labour is guaranteed two chairs and the SNP is guaranteed four or whatever, so the chairs have to be elected from that group.

Alison Payne: Yes. I think that that encourages independent mindedness. If there is a committee position to be filled and it is a choice between somebody who is independently minded and somebody who is more likely to just follow what the party says, the more independently minded person is more likely to get elected. It makes it more of a career path, as well. In other Parliaments, we have seen that, if a member has perhaps fallen out with the leadership of their party, there is still a role for their expertise.

The Convener: By “career path”, you mean “dead end”. It is not a career path, because it does not lead on to anything.

Alison Payne: If you look at somebody such as Yvette Cooper, and others, who fell out with the previous leadership—

The Convener: Yes, but has that happened here?

Alison Payne: It is in the gift of the party here.

The Convener: Yes, but it is not a gift to those who are independently minded. It is the opposite of what you are suggesting: if conveners are independently minded, they are less likely to have a career path into ministerial office, whereas those who keep in with the ministers and follow the party line are much more likely to have that. That is what I would suggest from 30-odd years of experience as an elected representative.

Alison Payne: Indeed. It is clear that a discussion is had, and that is obviously part of the reason why Ken Macintosh’s committee has not been implemented. However, there have been calls across the Parliament. There are things that we can do to strengthen our institutions, and I think that Dr Elliott is right about that. We should be looking at that, and if there are things that we can do, they should be considered.

10:00

The Convener: I shall let our guests speak and speak less myself.

Sarah Davidson: I want to pick up on the exchange between Patrick Harvie and Dr Elliott about what we can do to reinforce the current understanding. There are two things that would be helpful. One is for the Parliament to think about induction, not just for members of a future committee that has public administration in its remit, but for all MSPs. I understand that the Parliament has invested a lot in that in recent parliamentary sessions, particularly when it has anticipated quite a changeover. It would be interesting to know to what extent helping MSPs to understand how public administration works is part of that, and I suggest that it should be.

Allied to that, there is a role for this committee or its successor committee in pressing Government to be more transparent about the way that it works, and decision making is a good example of that. It would be interesting to know to what extent the English councils that you alluded to might now be rueing the fact that they were not as open in the past about where their money went and how decisions were made, because that may have meant that fewer assumptions were made about what you could cut.

As the committee knows, I worked in Government for a long time and I have been really struck, since I left, by what a black box it is when I look back at it. Even people with a high degree of expertise in public administration often find it hard to work out what is going on inside that box. It would be really helpful if both sides could collaborate more in making that clearer, for the public good and for trust in institutions.

John Mason: I was going to come in on what you were saying about committees, convener, because I am also inclined to think that it is more about the individual. I do not know whether I can press Alison Payne any more on the importance of the individuals. You also mentioned that new MSPs can come in with certain skills, but some of the conveners who I feel have struggled most in here have been new MSPs who have never been on a committee before. Yes, they have been on a board of something outside, but they do not know how it works and they do not know the relationship with the clerks. On the one hand, I have seen a convener who saw the clerks as basically part of his staff, and on the other hand, I have seen a convener who was basically controlled by the clerks.

I am just making a comment in a sense—you can have all sorts of structures, but is it not the individual that matters most?

Alison Payne: Absolutely. I totally agree that the individual matters most. What I am saying is that who that individual is should be decided by a vote of the Parliament rather than the party leadership.

Liz Smith: Hear, hear.

Michael Marra: We heard comments in last week’s evidence session about the good work that the committee has done over the past parliamentary session. I think that we have to capture that, but not just the compliments; we need to think about what that culture is. I say that as somebody who has been on a couple of different committees. It is not just about the people; it is about the working practices.

I was a short-term member of the Social Justice and Social Security Committee, and it was utterly abysmal, and I will put that on the record. There were questions written by clerks that were, frankly, in my view, unidirectional—how can we spend more money on this one thing—rather than any kind of intelligent examination of it. The fact that we do not have any of that in this committee is incredibly important and should be part of what we reflect. There are structural things that we can do, as Alison Payne has reflected on. We can try to build the culture that is required for better committees, but it will always come down to people in the end.

I also worry a bit about the discourse around barbarians at the gate and how we defend the status quo. In essence, that just gives more power to the people who want the status quo to break. Some of us want the status quo to break, too, so let us not be defensive about it.

Sarah Davidson's point about transparency being the antidote to some of that is important: "This is how it works and if you want to change how it works, show us." What could we do more of, or what could our successor committee do, to pursue that angle of transparency and openness and ways of working in public administration? We have dealt with some of the finance aspects of the issue, such as the publication of numbers, but in terms of exploring institutions and some of the inherent biases and issues, what more could we or our successor committee explore?

Sarah Davidson: That is an important question. The Organisation for Economic Co-operation and Development has done interesting work on the drivers of trust in public institutions. One such driver is openness and transparency about how decisions are made.

It goes back to what colleagues were saying earlier about confidence in prioritisation. If the Government were more confident in owning its choices, it would be far easier for it to set out the decision-making process that sits behind them, because, in reality, Governments rarely have straightforward binary choices. There is always an element of trade-off, due to perfectly legitimate political, ideological, resource and implementability considerations. The type of conversation that we envisage would be far easier if the Government were confident about laying all those considerations out and if it were comfortable with being held to account on those in the parliamentary arena and elsewhere.

A committee with this remit could have a role in encouraging the Government to be explicit about those things. That is where this committee could add value beyond that provided by the subject committees. This committee does not necessarily look to litigate as to whether the right decision was taken, but it can be interested in the process that led to that judgment. What data was used? What analysis was done? Who was consulted and involved? What happened with that consultation? Did all that then just go into a black box, with something popping out at the other end, or can ministers and officials clearly track the decision-making process?

That role would be hugely helpful; it would help other committees that litigate as to whether the decision that was taken was the right one to understand how things got from A to B. Not only would that be helpful in exposing the decision-making process, but in building confidence outside the Parliament.

Alison Payne: I just want to clarify that I was not suggesting that there are barbarians at the gate. It is more a case of the next parliamentary session being the unknown. It is the status quo that is causing the problem, and we definitely do not want to maintain it.

It goes back to the issues of public expectation, transparency and accountability. The best thing that we can do to stop the rise of populism is to be honest, to be more open and to have greater conversations. We cannot maintain the status quo. If we do, we will end up, after another five years of nothing changing, saying, "It's 20 years since the Christie Commission, and we are still talking about prevention."

The only thing that will change that is implementing reform—that means accepting that we will have to start investing in prevention to see those changes. The rise in populism is partly our own fault, because we have been having the same conversations for so long. What can this committee and the successor committee do to see implementation and delivery?

The Convener: How independent are some of the ministers, if we take them as an example? It sometimes seems to me that it is the civil service that is speaking through the ministers. The civil service often has more in-depth knowledge and ministers rely on it, perhaps to an unhealthy degree. It sometimes seems to me that the position of that establishment is one of inertia. In other words, even when ministers are keen to change things, they are met with a wall of, "You shouldn't do that," and the changes just do not seem to get implemented. How many times have we seen ministers make decisions and say that such and such will happen in March, but it doesnae happen until June, or that it will happen in June, but it doesnae happen until December, and so on? There is a fundamental issue of delivery there. How can that be resolved and improved?

Alison Payne: I wish that I had the answer to that. It is a long-standing problem and it involves elements of honesty and party politics. You cannot get away from the fact that nobody wants to go into an election saying, "What we are going to do will take 15 years, so, if you trust us for the next 15 years, we will totally transform our education system." That will not get voters to turn out. There is a need for people to work together and to ensure that there are good, effective ministers.

On the point about ministers, I note that we will have an entirely different Cabinet after the election. A third of the current Cabinet are standing down, including the Deputy First Minister. There

are a lot of unknowns, not just in the Parliament but across those ministerial roles.

The Convener: Of course, if a different party wins the election, there will be a 100 per cent change in Cabinet members.

Alison Payne: I apologise for making an assumption. You are quite right.

The Convener: Never assume in politics.

Alison Payne: I was just saying what would happen if the polls are to be believed.

You are right to say that there is definitely a feeling that some ministers are more effective than others and that some are more guided by their civil servants than others.

The Convener: At the end of the day, it is all about leadership, is it not?

Alison Payne: There is also a question about how we train our ministers and MSPs. There was talk about the induction process for MSPs, but what is the route that allows ministers and cabinet secretaries to hear what is going on and not be guided? From our experience, interactions with different cabinet secretaries can be like chalk and cheese or night and day.

We need greater leadership. There is a role for the civil service to issue warnings about proposals—to say, "That is very brave, minister," as it were. However, if a minister sets out a clear direction of travel and the Government has been clear with the public about the difficulties that will be involved, that will go a long way towards getting people on board.

If you never want to upset anybody, you will never get anything done. We have been stuck in a place where, because any decision will have negative consequences for one group, there has been a decision not to do anything. There has to be an ability to look beyond an approach that involves speaking to individual groups and saying, "We will do what you want."

The silos are not just across the different portfolio areas but within them. For example, with regard to the balance of care in the NHS, we see primary care versus secondary care versus general practitioners versus social care versus local government, and everything gets distorted and the overall vision of how we can fix things gets lost in the weeds.

The Convener: There is also an issue about the degree to which the MSPs who come in after the election are risk averse.

Dr Elliott: I agree with everything that Alison Payne said in response to Michael Marra's earlier comment. I stress that I am not advocating for the status quo either.

The role of the civil service is to serve ministers. Officials can advise, but it is up to ministers to make decisions. If there is delay or inaction, it is up to the Parliament to ask ministers why they are not making those decisions and why they are not getting things to happen, because, ultimately, it is up to ministers to make things happen. I do not want to bash the civil service for causing delays. It is not up to the civil service; it is up to ministers. That is why we have elections and democracy. It is up to the Parliament to hold the Government to account for the decisions that it makes or does not make.

From previous evidence that you have taken, I understand that there is a sense of frustration about the lack of decisions and progress. There is only one place to assign the blame for that, and it is not the civil service. Again, there is a role for this committee and the wider Parliament to hold the Government to account in that regard.

The Convener: I would just say that the issue is not about the Parliament not holding ministers to account—everybody agrees that ministers should be held to account. The issue is that the relationship that ministers have with civil servants makes it difficult for them to be held to account, if you know what I mean. I am not articulating this very well, frankly, but the point is that ministers feel loyalty to the group of people with whom they work every day, and they believe that what they are being told is correct and is how things should happen, and that, if there are delays, there are really good reasons for that, which others might not see or agree with.

There is a degree to which ministers are caught between the devil and the deep blue sea. There is an issue about how far ministers are able to push their civil servants before they are accused of bullying or whatever. There is always a balance to be struck in terms of how that is done.

Dr Elliott: I am also not going to advocate bullying the civil service in order to get things done.

The Convener: I am just saying that, if you said to someone, "Make sure that's on my desk tomorrow morning at 9 o'clock," you could be accused of that.

Dr Elliott: Sure.

10:15

The Convener: Twenty years ago, when I was a councillor, the council leader might ask for something at 9 o'clock in the morning. I was on committees where I heard, at a public committee meeting, "If it's no on my desk at 9 o'clock in the morning, find yourself another job." We are not talking about going back to those days, but what do you do if you ask the people who work for you

to provide information by a certain date and that information is not forthcoming? The politician is the one who has to go into the public domain and get the brickbats, but they are not necessarily able to drag their staff kicking and screaming into delivering the outcome when they want it to be delivered.

Patrick Harvie: Sometimes it is the other way around.

The Convener: Of course.

Dr Elliott: Instead of kicking and bashing, there is a general point that the Government can only ever be as effective and efficient as the institutions that support it. The question is, how are we developing an effective civil service? How are we developing staff who can deliver? There was an important point in what you said about delivery. How are we facilitating, for example, exchanges and secondments between local government and the Scottish Government, between the Scottish Government and public bodies, and indeed between the Scottish Government and UK Government departments? How are we facilitating professionalisation and making the civil service better? If you do not feel that it is good enough or delivering what it should be delivering, the question for the Government is: how can you make it better? How can you improve the effectiveness and skills of the civil service and its capacity to support ministers?

The Convener: We had an inquiry on that, with some very direct recommendations. Our successor committee might want to consider how many of those have been implemented.

Dr Elliott: For all the excellent reports that this committee has produced in this parliamentary session, how many recommendations have been taken up by the Government? That is an important question for all committees to ask, not just this committee. There is lots of excellent work. As we see in the committee papers, lots of really important inquiries have been done. How many recommendations from those inquiries have been taken on board?

The Convener: I will let Craig Hoy in, followed by Paul Cairney. In order to stick to time, I will then give our guests an opportunity to wind up. Sarah Davidson started, so she will be the last to speak. You will each have a couple of minutes to cover any issue that you want to emphasise or that we have not yet touched on.

Craig Hoy: I want to get a view from around the table, and particularly from Dr Elliott. We get the impression that, sometimes, civil servants hide behind ministers and ministers hide behind civil servants. Let us bear in mind that there are accountable officers in the civil service and that the permanent secretary is the principal accountable officer. I served on the Public Audit Committee, and when civil servants came before us, there was sometimes exasperation that a number of civil servants seem to move around between interim posts, particularly in sponsored agencies and departments such as Transport Scotland. When we dug into problems around, let us say, ferry procurement, there had been quite clear failures by civil servants. Ministers—let us not let them off the hook—often take the flak for that and, on occasion, try to blame civil servants, when it might have been a political decision that has gone wrong.

Civil servants are accountable to Parliament through the principal accountable officer model. To what extent do we need to raise awareness of civil servants' accountability to Parliament? Do we need to look at the model again, so that, ultimately, ministers are responsible for what is done in their name in the civil service?

Dr Elliott: Those are excellent points. It is really important to raise awareness and, as Sarah Davidson mentioned, invest in induction processes for new MSPs and in training of committee clerks. We have not really touched on resourcing of committees. The resources that are provided here are radically different from those that are provided to UK Parliament committees. There are really important questions to be asked, and I completely agree with your point.

For all the problems and challenges that we face, the Scottish Government and the civil service have implemented many successful policies. The vast majority of members of the civil service work very hard to deliver for and serve ministers, so it is important to recognise the efforts that individual civil servants make daily to serve ministers and ensure that manifestos are enacted. We can learn from the many successes that there have been as well as from the failures that have been highlighted. It is important to get the balance right. As I said in my submission, we can learn as much from success as we can from failure, so it is important not to diminish the successes when we highlight some of the failures.

Professor Cairney: No end of committees have probably recommended more transparency from the Government—it is one of those things that people keep saying while not expecting any change. It is tempting to say that the problem is simply the practices of bad actors who are trying to hide something. However, it is key to work out why non-transparency is a good idea, and then we can think through how to make things more transparent without losing those benefits.

The classic example is that ministers assure civil servants that they will receive their advice in

confidence. That is part of the deal. For a civil servant to give a minister full and frank advice, they have to trust the minister and know that they will keep that advice in confidence. That is a good deal in some respects.

The same applies when working with groups. For trust to be built up among groups, they need to make themselves vulnerable in that collaboration, with the level of trust being maintained because what is said is kept behind closed doors.

The same applies with parties. Parties work only when people can have frank discussions and know that those conversations will not be reported somewhere else.

In that context, if we are asking people to be more transparent, it comes down more to the transparency of judgments that are made after that process. Confidences can still be maintained, but people can document the procedures that they went through when taking advice and the ways in which they made choices. Part of the problem with the black box relates to what exactly ministerial judgment means. A minister could say, "I considered these factors and was swayed by this evidence." I guess that it would be a bit like a court judgment.

That is probably the best that we can do on transparency. If there was a more radical approach in which everything was kept out in the open, the unintended consequence is that it would change people's behaviour. They would give less frank information because they would anticipate it being read out in court or in a committee at some point. They would think, "Why should I make myself vulnerable by doing that?" It is probably worth thinking about that. You might call it pragmatic transparency—I do not know; I will work on the branding. It would involve a thoughtful level of transparency, rather than people just saying, "Be more transparent."

The Convener: We move to wind-up comments.

Alison Payne: I thank the committee for inviting us to be part of today's important discussion. I hope that, in the next parliamentary session, we will start to see things being implemented. I think that I have made all the points that I wanted to make. The discussion about committee conveners illustrated that we need to try lots of different things, because the status quo has not been working.

A big part of the problem is party politics. I think that the committees, and particularly the one that has public administration in its remit, can have a big role in thinking about how we manage the issues with electoral cycles, party politics and short-term thinking.

After the coming election, it will be only a few years until the local government elections. There is a short-term approach in which we always look to the next election rather than thinking, "Right, let's get together and focus on the long term." Some things will not work and might not be right but, as Ian Elliott said, it is important to learn from failure. However, in politics we are reluctant to do that.

That is partly because, if the Government fails on something, the Opposition will jump on that. The Opposition parties have an important role to behave responsibly and engage and work with Government. That does not mean agreeing with the policies, but there is an element of thinking about how we have a bit more grown-up politics.

In reflecting on the conversation about the link with the civil service, I was remembering the time when Shona Robison was health secretary and a civil servant left some files on a train, and there were calls for her to resign. That was ridiculous. When anything happens, people think, "How do we make the most party-political gain out of this situation?" If we keep playing the political game rather than delivering for Scotland, we will be stuck in that cycle.

Liz Smith: Quite right.

Dr Elliott: I am grateful to the convener and the clerks for giving me the opportunity to speak today and the other times that I have spoken during this parliamentary session.

First and foremost, it is important to have a Finance and Public Administration Committee and to have the national performance framework. That long-term aspirational vision for what Scotland should be is a valuable tool to help shape decision making, to help us to think about preventative policy making and to have long-term decision making that goes beyond one parliamentary session. It is hugely valuable to have a Finance and Public Administration Committee that holds the Government to account on that and thinks about how resources are allocated and how public administration is functioning to achieve long-term ambitions.

We have touched on matters relating to how the committee is resourced, how conveners are appointed and how to ensure that the very good practice of the committee continues into the next parliamentary session. Those are absolutely crucial questions to ask at this point. I hope that measures will be put in place to ensure that the new MSPs get induction and training, and that clerks and so on get the support that they need to continue that work.

The Convener: Given that there will be a new committee and a new convener, do you feel that

the clerking team should remain in post, at least for the first year perhaps, after the election?

Dr Elliott: This is a personal view, but I have found the clerking team to provide excellent support to the committee.

The Convener: So have we. For continuity purposes, do you agree that they should continue?

Dr Elliott: Yes, I agree with that.

The Convener: I am sorry to have put you on the spot there.

Dr Elliott: It is important to think about succession planning for all committees and for all aspects of the Parliament, which is now well established. A lot of people who have been here since the start are moving on. It is really important that we retain some of the institutional knowledge as time moves on.

Professor Cairney: I feel under pressure to thank the committee for being here, so thank you very much.

Maybe I will turn this into a blog. I have written down a list of things that I would do if I was in charge of the committee. I will break it down into those essential—

The Convener: No one is in charge of this committee. It is all done through consultation.

Professor Cairney: I am ambitious. Imagine that I ruled the world—here is my list for the committee.

How do we make sure that the Scottish Government is skilful, strategic, transparent, future thinking, citizen centred and power sharing? We have covered that.

There will be a positive end to my next comment. People do not really read any more or have the ability to do so. I reckon that it would be reasonable to expect a new MSP in the next committee not to have read a word that was produced by the previous committees or know what has or has not been done. My recommendation for the first piece of work is simply to say what the committee has learned over the long term, given that it is a long-term committee.

10:30

I do not want to make work for the clerking team, but that would involve the report saying, “We have produced this many reports on this many topics. Let’s not reinvent the wheel. Let’s first check what themes are emerging so that, the next time we do an inquiry, it builds on that work.” The problem with all organisations is that they constantly start again with new people without having any memory. Simply trying to work out what has been done can be a powerful way of focusing the mind and setting the agenda.

The Convener: It would be good if our successor committee built on our foundations. It can go in whatever direction it sees fit, of course, but that is good advice.

Sarah Davidson has the last word.

Sarah Davidson: Thank you. With an eye to your timekeeping, convener, I will not repeat at length what I have said before, but the three key points that I came here to say were, first, that it is really valuable to have a public administration remit in a committee and that that should be kept; secondly, that having finance and public administration together makes a lot of sense and that that should be kept as well; and thirdly, to touch on your point about continuity of knowledge, convener, the subject is actually quite complex and, therefore, developing expertise in it and holding that expertise really matter.

One thing that I did not come here to say but that I will add relates to what Michael Marra said about the culture of the committee. That really struck me, because culture really matters, too. The committee has a reputation that extends beyond the Parliament for being what we might call a good committee, which is down to the culture that has been developed. A successor committee should not regard remit as the answer to all its questions. It is at the intersection of the culture of a committee and how it enacts its remit and what the remit is that the really powerful accountability and scrutiny can happen. I look forward to seeing what happens.

The Convener: Thank you very much to all our guests. The discussion has been very helpful to our deliberations.

We will have a five-minute break to allow for a changeover of witnesses.

10:32

Meeting suspended.

10:37

On resuming—

Budget (Scotland) (No 5) Bill: Stage 2

The Convener: Agenda item 2 is stage 2 consideration of the Budget (Scotland) (No 5) Bill. Members should have a copy of the bill, the marshalled list and the list of groupings, which are also available on the Scottish Parliament's website.

Only the Scottish Government can lodge amendments to budget bills, and the Cabinet Secretary for Finance and Local Government has lodged several stage 2 amendments for the committee's consideration. The list of groupings sets out the order in which the amendments will be debated. Members who wish to speak in any of the debates should indicate that by catching my eye or the attention of the clerk.

We are joined by the Cabinet Secretary for Finance and Local Government. Under standing orders, her officials who are present are unable to participate in formal stage 2 proceedings.

I move straight to the bill.

Section 1 agreed to.

Schedule 1—The Scottish Administration

The Convener: Amendment 1, in the name of the cabinet secretary, is grouped with amendments 2 to 5 and 9.

The Cabinet Secretary for Finance and Local Government (Shona Robison): The six amendments in this group will update the budget bill to give effect to the additional spend that I communicated to the committee in my letter on 12 February. Since the draft budget was published, engagement has been undertaken to strengthen the overall budget package, respond to stakeholder priorities and secure the parliamentary support that will be required for the budget's passage. That engagement includes the formal budget agreement that was reached with the Scottish Liberal Democrats.

Taken together, amendments 1 to 5 will amend schedule 1 to increase the maximum spend across three ministerial portfolios and ensure that the authorised spending purposes cover all proposed spending priorities. That will authorise a combined total of almost £30 million in additional funding for the finance and local government portfolio, the transport portfolio and the Deputy First Minister, economy and Gaelic portfolio.

With regard to the finance and local government portfolio, amendment 1 will increase the allocation to the local government settlement for social care by £20 million, which local authorities can put towards funding the real living wage for the adult and childcare sectors.

For transport, amendment 2 will increase the portfolio allocation by £4.3 million to provide funding for a rail fare freeze for 2026-27, as communicated by the First Minister on 12 February.

For the Deputy First Minister, economy and Gaelic portfolio, amendment 3 will increase the allocation by £5.33 million for the investing in communities fund. To that end, amendment 4 will extend the portfolio's authorised spending purposes to include expenditure on community-led regeneration.

To take account of that additional authorised spend, amendment 5 will amend schedule 1 to increase the total amount of resources that the Scottish Administration is authorised to use. As a result, amendment 9 amends section 4 to increase the Scottish Administration's overall cash authorisation to take account of the almost £30 million of additional funding that is being allocated. Accordingly, I urge members to support amendment 1 and others in the group.

I move amendment 1.

The Convener: I call Craig Hoy.

Craig Hoy: I will come in at the end.

The Convener: Sorry?

Craig Hoy: I will come in at the end, after the cabinet secretary.

The Convener: No, you need to come in now, before the cabinet secretary winds up.

Craig Hoy: Looking at these amendments, I would say, as I said in the chamber last week, that we are very unhappy with the budget in its totality. It is hard to argue against these measures, cabinet secretary, but the risk that you are now running in many respects—for example, in relation to social care—is that, although you have found additional money at this stage in the budget process, it is rather like the burglar who robbed you blind two years ago returning to offer you some of your goods back and expecting you to be grateful.

The ultimate issue in relation to the budget—I am thinking of rates relief, for example—is that this is, in many respects, too little, too late. If we look at this year's local government settlement, although we welcome additional funding for social care, which will deal with some of the crises that we are seeing in health and social care partnerships and integration joint boards, we think that it will be insufficient to deal with the challenge that councils face in delivering social care. As we have just been discussing in relation to

preventative spend, many of the problems that we are seeing throughout, say, the health service, which also faces issues in this budget, are being made worse by the crisis in social care. We question whether the prioritisation in the budget is sufficient.

Overall, I repeat what I said last week in the chamber. We do not object to these individual measures, but the budget in its totality still does not pursue the right priorities for Scotland, and it contains misplaced priorities.

Liz Smith: I completely agree with my colleague's comments. Aside from the party politics, I think that there is a wider issue here that relates to the budget scrutiny that we have undertaken. Obviously, the Government makes its choices, as it is entirely entitled to do, and sets out its priorities, but the question is what has been deprioritised. We, as a committee, do not feel that we are getting sufficient information about the reasons for certain priorities being chosen and the evidence supporting such decisions, but, more important, about those areas where there is deprioritisation.

I ask the cabinet secretary to be mindful of that. As we said in the debate in Parliament last week, those points are being put to us by our senior analysts in Scotland, and I would be grateful for her reflections on them.

The Convener: As no other colleagues wish to speak, I call the cabinet secretary to wind up.

Shona Robison: First, on Liz Smith's point, there will always be areas where we can get into some of the detail of the improvement that we have made in the flow of information, the choices that are made and the reasons that lie behind those choices. I will reflect on what Liz Smith has said, as I will always do. However, the choices that we have made are in line with our four key Government priorities, and it is for others to make other choices as they see fit.

Liz Smith: Will the cabinet secretary give way?

Shona Robison: Yes, of course.

Liz Smith: I understand what the cabinet secretary has said, and it is, of course, for the Government to set out its priorities, even though we might disagree with them. However—and this is the wider point that is being made to us by the economic analysts—the Scottish Government has four mantras, which include tackling child poverty and ensuring economic growth, but we do not feel that there is enough detail behind specific policy priorities to convince us that a particular choice of outcome represents a better spend of public money than any other choice. The opportunity cost of that, obviously, is that some priorities are deprioritised, and it is that piece of economic analysis that I think people want to see.

10:45

Shona Robison: I take the point. However, I refer the member and the committee to the array of other information that predates and sits alongside the budget or will come after it. For example, the material that was published in June in the fiscal sustainability delivery plan is critical. It is absolutely right that we are held to account for the delivery of that plan, but it sets out a very ambitious programme of transformation and efficiency that is absolutely going to reduce costs. I think that, in many ways, that is what you are getting at—what is the other side of the envelope?

Liz Smith: I do not want to labour the point, but it is important not just for the budget that we are discussing but for future budgets. We have seen quite a lot of fiscal events being delayed for one reason or another, and it tends to be that we get some of these things after—you cited June, which will be in the new session of Parliament—we are asked to consider the details of a specific budget. That is the frustration.

Shona Robison: I get that, but I point to the other material that is produced, such as the impact assessments, as well as the things that are to come. If we take child poverty as an example, the delivery plan that Shirley-Anne Somerville will publish soon will contain a lot of the detail on the new areas and the evidence base that will help us to get towards the target that we have all agreed on. I am merely pointing out that there is an array of other information that predates the budget or will come after it. As ever, however, I will absolutely reflect on what the committee is saying about the information that is provided.

Craig Hoy said that it would be hard to argue against the measures that I have set out. I would have hoped that it would be even harder to vote against them at stage 3, because that would involve voting for less money for social care and less money for local government. Those are areas of spend that I have adjusted in the light of discussions. I have met Convention of Scottish Local Authorities leaders and stakeholders and listened to the third sector, and I have adjusted those areas of spend in the light of listening to all of them. Ultimately, the judgment will be yours to make when it comes to voting for or against that additional funding.

Craig Hoy: On that point about local authorities, you have presented it both here and in the chamber as if local authorities are buying into the Government's line that this is a reasonable deal for them. However, Western Isles Council has announced today a council tax increase of, I think,

9.5 per cent. We are seeing councils come in towards the upper end of what I think people's expectations are for council tax. If it was a reasonable settlement, they would not be forced to go down that road, would they?

Shona Robison: I merely say to you that at no point have you come to me and said, "I think that local government needs another £250 million and it should be taken from A, B or C." When it comes down to the brass tacks of how much money is available and where it comes from, it can only come from other areas of spend.

You have talked in fairly general, vague terms about social security spend, but you know as well as I do that, to adjust any social security spend, legislation would have to go through in this Parliament to adjust entitlements, and we would be a year down the line before we could do any of that, even if we wanted to. The budgets have to be in place for 1 April. The choice that I have—and the choice that you would have—involves the fact that the £200 million, £250 million or however much more you think that local government should get would have to come from, for example, higher and further education, the health budget or other front-line services. Those are the only places where it could come from in time for 1 April.

We have to be honest about what we are saying. If you truly believe that there is not enough money for local government, you could have made more money for it a condition of your support for the budget and told me where you thought that it should come from. However, you have not done that.

I am afraid that those are the choices that have to be made when you are sitting in my seat, and those are the choices that I have made.

Amendment 1 agreed to.

Amendments 2 to 5 moved—[Shona Robison]—and agreed to.

Schedule 1, as amended, agreed to.

Section 2 agreed to.

Schedule 2—Direct-funded bodies

The Convener: Amendment 6, in the name of the cabinet secretary, is grouped with amendments 7 and 10.

Shona Robison: The three amendments in this group amend schedule 2 and section 4 to update the figures and authorised spending purposes for the Scottish Parliamentary Corporate Body. Taken together, amendments 6 and 10 increase its maximum spend and its overall cash authorisation by £71,000 and £211,000 respectively. That is to align fully with the agreed budget.

Amendment 7 updates the SPCB's authorised spending purposes to include specific reference to the Patient Safety Commissioner for Scotland and the Electoral Management Board for Scotland, both of which it will be responsible for funding in 2026-27. I urge members to support amendment 6 and the other amendments in the group.

I move amendment 6.

The Convener: There are no members who wish to contribute to the debate. Cabinet secretary, would you like to wind up?

Shona Robison: I have nothing else to add, convener.

Amendment 6 agreed to.

Amendment 7 moved—[Shona Robison]—and agreed to.

The Convener: Amendment 8, in the name of the cabinet secretary, is grouped with amendment 11.

Shona Robison: The two amendments in this group likewise update the budget bill figures for Audit Scotland to fully align with the agreed budget. Amendment 8 amends schedule 2 to reduce Audit Scotland's maximum spend by £82,000, whereas amendment 11 amends section 4 to increase its overall cash authorisation by £168,000. I urge members to support amendment 8 and the other amendment in this group.

I move amendment 8.

The Convener: There are no colleagues who wish to contribute at this stage. Cabinet secretary, do you wish to wind up?

Shona Robison: I have nothing to add.

Amendment 8 agreed to.

Schedule 2, as amended, agreed to.

Section 3 agreed to.

Schedule 3 agreed to.

Section 4—Overall cash authorisations

Amendments 9 to 11 moved—[Shona Robison]—and agreed to.

Section 4, as amended, agreed to.

Sections 5 to 11 agreed to.

Long title agreed to.

The Convener: That ends stage 2 consideration of the bill. I thank the cabinet secretary for attending. The stage 3 proceedings and debate are due to take place on Wednesday 25 February. We will now suspend to allow for a change of witnesses.

10:54

Meeting suspended.

10:58

On resuming—

Subordinate Legislation

Budget (Scotland) Act 2025 Amendment Regulations 2026 [Draft]

The Convener: The next item is an evidence session with the Minister for Public Finance on the draft Budget (Scotland) Act 2025 Amendment Regulations 2026 on the spring budget revision. The minister is joined by the Scottish Government officials Craig Maidment, senior finance manager; and Claire Hughes, head of corporate reporting. I welcome our witnesses to the meeting and invite the minister to make a short opening statement.

The Minister for Public Finance (Ivan McKee): Good morning.

As we approach the end of the financial year, the Scottish Government is, once again, on track to balance its budget. That demonstrates our robust in-year financial management practices. The spring budget revision allocates £600 million of additional funding to support our vital public services. More than £100 million is provided to the health service, while the economy and Gaelic, housing, transport, and education and skills portfolios all receive additional funding to support services.

In line with our robust practices, we continue to set aside contingency funding, which is required annually, to support any year-end audit adjustments as well as to guard against any final changes in 2025-26 forecasts. Those funding additions are offset by a reduction in social security benefit expenditure, £100 million of forecast European structural funds income and slippage in capital projects, as well as a £350 million technical adjustment relating to police and fire pensions.

The funding position has also been updated to reflect the latest forecasts and figures. Planned capital borrowing and ScotWind utilisation have been revised down and align to the position that the Cabinet Secretary for Finance and Local Government set out in the 2026-27 Scottish budget. There remain wider financial challenges that have required to be navigated in recent years. As part of the 2025-26 budget, we had to consider carefully how best to support the 2026-27 budget, with a £150 million underspend assumption.

11:00

The technical, Whitehall and internal transfers are presented in the document in the usual way. The supporting document to the spring budget revision and the finance update prepared by my officials provide further background on the net changes as well as updates on information that was requested by the committee.

I am happy to answer any questions that the committee may have.

The Convener: Thank you, minister, for that and for the amount of detail that the Scottish Government provides for spring and autumn budget revisions—there are 186 pages in the meeting papers document. Previously, we have seen a fraction of that. There has certainly been an improvement in transparency over the years, which is greatly appreciated.

The document says that the budget revision does not affect the Government's spending plans. However, for the technical changes, we are talking about a net increase in the budget of £3,777.6 million. Based on that alone, it looks as though the budget is getting something in the region of a 5 per cent increase—more than that, in fact; it is more like 6 per cent. Can you talk us through those technical adjustments?

Ivan McKee: I will do my best, but I may rely on my officials.

I think that I am right in saying that the biggest of those adjustments relates to student loans. That is dealt with at a UK level, and there has been a reassessment of how the risk—for want of a better word—is categorised in relation to those loans. As a consequence, some technical adjustments have been made. Those apply across the UK, and the implications for our budget are around £3 billion. However, as I said, it makes no difference to the amount of money that we have to spend. As you know, because we do not have tuition fees in Scotland, our student loan position is very different from that of the rest of the UK. It is a technical adjustment based on the risk profile that is covered by the UK Government. In any event, it does not impact our day-to-day spending in any way.

The Convener: It seems strange that it has been attached to the budget, given that it does not have any impact on it.

Ivan McKee: Yes—if I were an accountant, perhaps I could give you a more technical explanation.

The Convener: John Mason is an accountant, so he will explain it for us all.

Ivan McKee: Follow the rules in that regard.

The Convener: In your opening statement, you touched on the £252 million that is being held centrally within the finance and local government portfolio. Of that, you have said that £200 million is being

"held as contingency for emerging pressures in January to March 2026 and year-end audit adjustments".

It is understandable that that contingency was held, but why was a specific sum of money selected as opposed to £250 million, £150 million or any other sum?

Ivan McKee: Are you asking why it is not a round number?

The Convener: It is a round number—well, the £200 million certainly is. There is potentially a £52 million carry forward, and I am wondering how that sum was arrived at.

Ivan McKee: In terms of that year-end adjustment number, we always have to make an assessment of what the potential impact is. Those sound like big numbers, but they are in the context of a £60 billion-plus Scottish budget. We need to make our final decisions on borrowing in the middle of March, so there is still scope for changes at that point. Historically, there have been changes—of more than £100 million on occasion—as a consequence of year-end audit adjustments.

We need to keep some money for that and for anything that happens in the final few weeks of the financial year. However, as I said, nothing is lost there, because anything that is still there carries forward into the following financial year.

The Convener: It looks like a large sum of money, but it is barely a day's resource expenditure for the Parliament when one thinks about it in those terms.

The social justice portfolio has a funding reduction of £226.2 million. I found it interesting that the adult disability payment is £208 million less than anticipated—that is about 6 per cent less than was originally anticipated. The documents said, more or less, that fewer people were applying and that perhaps there was a tightening up of the way in which those payments were being assessed. Is that a fair description?

Ivan McKee: I have a couple of points to make. First, these numbers originally come from the Scottish Fiscal Commission, which makes its assessment of what we need to put in the budget. That is the right way to do it—there is the independent assessment, and then we work within that.

Secondly, the numbers are big, but, in the context of the whole social security budget, it is about 3 per cent. However, you are right that, in relation to that specific benefit, it is a significant number in absolute terms, and, as you say, it is demand led. I am sure that there are many and various factors that drive that demand, and Social Security Scotland will respond to the applications and the demand side of the process.

On your comment about being stricter, it is important to recognise that certain numbers are quoted in this regard—it is not my portfolio, so I am not across all the detail of it—but a lot of the original assessment was based on individuals who were transferred from the UK system, who had already been through various checks. Therefore, when people talk about a very small number being changed following on from that, it is important to recognise that those individuals had already been through the UK process.

Social Security Scotland prides itself on its dignity and fairness approach, but I am conscious that it is looking after public money, so all of that needs to be treated in the round.

The Convener: The amount for the Scottish child payment is £14 million less than was anticipated. Is that because, for example, the parents moved into a level of employment such that the children were not eligible?

Ivan McKee: Again, those are forecast numbers from the SFC. They will be based on a range of different factors and assumptions, and those assumptions could change. The eligibility for the Scottish child payment is driven largely by universal credit eligibility, as well by as a number of other factors. If people find themselves in a position where they are earning more than they thought they would, the claim will be less. As I say, a range of factors could affect the position.

The Convener: The amount is about 3 or 4 per cent off the forecast. I wonder whether that is good news, in a way, if you think about it. If fewer people require the Scottish child payment, surely that is a positive story when it comes to the health of the Scottish economy.

Ivan McKee: That is one possible driver. We work hard to make sure that people are claiming the benefit, but underclaiming could be an issue. However, assuming that all else is equal, it would indicate that fewer people are in need of the benefit, which, as you say, would be a positive thing.

The Convener: A lot of people would baulk at the fact that £24.7 million had to be provided for the additional costs incurred as a result of the United States presidential and vice-presidential visits. Is there any possibility of getting that money back from the Government of the United Kingdom of Great Britain and Northern Ireland?

Ivan McKee: We do not give up hope, and we will continue to press on that.

The Convener: Not even by splitting the difference?

Ivan McKee: We can continue to engage with the UK Government, but it has not been helpful in

that regard. I find it an interesting situation, given that the Prime Minister was very keen to come on a plane to Scotland and engage with the President but then claimed that he did not want to pay for the privilege of having that engagement on world matters. I found that strange.

The Convener: Was the Vice-President not on holiday? It still cost us millions. Could you not ask him to go somewhere else—Majorca, maybe—the next time he fancies a visit, to save us a few quid?

Ivan McKee: I do not know what the Prime Minister discussed with the President, but I imagine that it was not just chit-chat and that international affairs were mentioned.

The Convener: We have talked about the Scottish child payment and whether there might be good news in that regard. The number of claimants is not as high, which I would hope is good news in terms of the economy. However, it does not look like there is good news in the transport portfolio, because we have slippage of £38.4 million in projects within ferry services, which is quite substantial.

Ivan McKee: I do not have all the detail on that, but I can get back to you if there are specifics that you want more information on. Clearly, there will be big projects in there, and for capital projects you make the projection of what you will spend and then, when you are in year, a period of time later, there will be variables that could affect that projection.

There will be things that will speed up and things that will slow down. There will always be movement, and, again, that is in the context of a significant capital budget overall.

The Convener: I am not convinced that there has been a lot of speeding up going on. On the transport portfolio, the spring budget revision document says:

> "Ferry Services has been reduced by £38.4 million. This is driven by reprofiling of vessel procurement and harbour works, drydock repairs and a reduction to resilience payments required."

If less is required by way of resilience payments, that might be a good thing, but, given the amount of time for which the ferries that serve my island communities have been in dry dock over the past year, it is concerning that there has been a slippage as a result of reprofiling of work that is undertaken to ensure that the fleet is up to scratch and service provision can be optimised.

Ivan McKee: I take the point. As I said, there will be specific reasons for that. If you would like more information, I could get that from transport colleagues.

The Convener: Thank you. That would be helpful.

I have just a few more questions, because colleagues are keen to come in.

Funding for the climate action and energy portfolio is being reduced by £157.6 million. Other political parties may claim that climate change is a hoax, but none of the parties that are represented around this table believe that it is, so it is a concern that there has been considerable slippage in funding for that portfolio. The fact that spending on offshore wind is being reduced by £102.9 million is a particular worry. Can you talk us through that?

Ivan McKee: The offshore wind spending will be partnered up with private sector investment, and it is not always possible to have a complete assessment of that in advance of when the budget is laid. As a result, funding might not be deployed at the rate that we thought it would be, depending on other factors that are outside our control.

The Convener: Okay. When you refer to factors that are outside your control, what are you talking about?

Ivan McKee: If the money that we provide leverages in private sector investment, we have to make an assessment of when that will happen in advance of when the budget is laid, but that may or may not come through in the timeframe that we expect, because other people make decisions on that.

The Convener: There is one last issue that I want to touch on. There are others that I would like to ask about, but I am sure that colleagues will raise them. If not, I will revisit them at the end.

On the housing portfolio, we have good and bad news. There is a net funding reduction of £6 million, due in part to the £15 million of additional financial transaction receipts and the £27 million reduction in demand-impacted heat in buildings capital expenditure. The good news is that £36 million more has been provided for affordable housing. It is swings and roundabouts, but there is a net reduction of £6 million. Can you talk us through those items?

Ivan McKee: I have no specific information on that, but we can come back to you. In the context of the overall budget, that £6 million is a relatively small number.

The Convener: That is fair enough. I will leave other issues until the end, if necessary. I am sure that colleagues will cover most, if not all, of them.

John Mason: The convener has touched on several issues already.

The McCloud adjustment is £34 million. We have discussed that with you before. Could you clarify what that £34 million is?

Ivan McKee: That goes back to the on-going conversations that the committee is having with the Scottish Public Pensions Agency. I understand that Dr Pathirana will be appearing before you again shortly. As you know, I am working very closely with the SPPA. I have regular calls with the agency and have visited it. We have put in additional funding to support its asks for additional resources. An extensive amount of automation is being undertaken to speed up the process.

We know from the history of the issue that the original timelines were unrealistic, given that clarification from His Majesty's Revenue and Customs on the tax treatment of the calculations was received very late in the day. There were other challenges, too.

In effect, that is an allocation from the UK Government in anticipation of what payments it was thought would have been made in that financial year. That did not happen, because the SPPA—along with all the other public sector pension providers across the UK—is not where it would want to be with regard to making those payments.

John Mason: There is simply a delay in the payments. It will eventually come back through again.

Ivan McKee: Yes. Exactly.

John Mason: There may be one or two things in that category.

I will ask a question on social security, in relation to the adult disability payment. More people are exiting the scheme than was expected. I did not quite understand why people would be exiting the scheme. Is it because they have got better or they have got a job? They should get the payment whether they get a job or not, should they not?

11:15

Ivan McKee: I would not know. I would need to check whether ADP tapers out eventually; I am not sure whether it does or not. However, Mr Mason is right that, if people are exiting, then it is because they will no longer be eligible for the benefit, for whatever reason. They may have got better, which is a good thing.

John Mason: Hopefully, yes. I am still intrigued by that. However, I accept that we are still fairly new on some of the benefits and that they will take time to settle down.

Could we dig a little deeper into the student loan valuation? Could you, or one of your officials, explain it to me?

Ivan McKee: I do not know who wants to explain the ins and outs of that to Mr Mason, accountant to accountant.

John Mason: Is it that we are now expecting to write off more, so there is a greater cost? I accept, however, that the net effect is nil.

Craig Maidment (Scottish Government): A new model was implemented for the devolved nations in 2025. England gradually moved to that model over the course of a number of years, up to 2022. As part of that, the valuation of the loan book was overstated, and there is an impairment to bring it down to a lower level. The level of adjustment is a one-off correcting adjustment, rather than something that we would expect to see annually. However, it brings the loan book down quite significantly as a consequence.

John Mason: We are more pessimistic than we were as to how much will come back in.

Craig Maidment: Exactly. In the new UK-wide model that is being used to forecast repayments, the earnings projections are lower than those previously used. As the level of people's earnings impacts when they start their repayments, that is flowing through into the net book value of the loan book.

John Mason: It is good that the valuation is more accurate—fair enough.

I note that

"The Deputy First Minister, Economy and Gaelic portfolio will receive £127.4 million of budget cover for other technical adjustments. This includes £80 million for the Scottish National Investment Bank to offset changes in the value of the bank's existing investments".

Is that because we are writing things off?

Ivan McKee: I do not know whether officials have any more detail on that. However, the investments that the SNIB makes are an on-going process and some will be more successful than others.

Craig Maidment: It will be a write-down on the value of carrying investments, and not necessarily a write-off.

John Mason: That is what I was wondering.

Craig Maidment: It will be a carrying value, rather than a crystallisation of a write-off.

John Mason: I think that there is SNIB money in Orbex, for example, around which there is—as I understand it—a bit of uncertainty. However, it might be that there is still a value in it, but a

reduced value, rather than its having gone bust completely.

Craig Maidment: Yes. Because the budget is coming through as a technical adjustment, it will be like an annually managed expenditure budget cover to reflect accounting impairments, rather than a formal write-off, which would potentially have a resource hit, as it would cost the departmental expenditure limit budget.

John Mason: Right, okay. That touches on the next question that I was going to ask. We do not really have DEL and AME, do we? Those are Westminster terms, as I understand it. We simply have resource.

Ivan McKee: Officials will keep me right on the technicalities. AME funding comes from the UK Government as non-cash to support pensions and other such things that are funded by it. Again, we cannot access that money to spend it. The UK Government manages and funds those things.

John Mason: We were discussing that, if social security is overspent, because it is demand led, the UK can treat that as AME. Is that right? In Scotland, however, we cannot, because we do not have that AME facility. Or do we?

Claire Hughes (Scottish Government): We do have AME. Things such as our pensions are funded through AME. There are certain rules for something to be funded through AME: per the statement of funding policy, if something is volatile, or is comparable to the UK, we can fund it through AME. The reason why our social security benefits are funded through DEL is that we are not comparable to the UK, because our benefits are more generous and more expensive. Therefore, we do not have the option to fund them through AME and we have to fund them through DEL.

John Mason: Okay. I will leave that one just now. I am not sure that I totally got on top of it, but that is fine.

On landfill tax—if I can find the right page. Again, I am a little bit unsure about this. The block grant adjustment has changed. Is that partly because the UK has been more successful at reducing landfill than we have? It is on page 16 of the guidance—paragraphs 77 and 78, I think.

Craig Maidment: The block grant adjustment will be based on the revenues that the UK Government expects to receive from landfill tax. If the BGA is increased, the UK Government presumably expects to have performed worse than anticipated in reducing landfill, because people are paying more to landfill their waste.

John Mason: So it is a negative block grant adjustment?

Craig Maidment: Yes. Our funding is reduced by an amount to offset the fact that we can collect landfill tax and land and buildings transaction tax—the equivalent of stamp duty—which is devolved to the Scottish Government. An increase in a negative means that the UK Government is collecting more taxes, if that makes sense.

I may have lost the room.

John Mason: The UK Government is collecting more taxes, so we have been more successful in landfill than it has.

Craig Maidment: Within the budget revision, our receipts have gone up as well; there has been an increase in landfill receipts in Scotland as well. You need to look at the net position. Overall, that is successful. It is a net increase, in terms of the receipts—

John Mason: Are those not falling? That is the intention.

Craig Maidment: The trajectory over a period is a fall. However, for this year, the forecasts were lower than the figures appear to have manifested.

Ivan McKee: Have ours fallen faster than the UK's, then?

Craig Maidment: I am not sure.

John Mason: The negative block grant adjustment has increased, which means that there is more of a block grant adjustment.

Craig Maidment: That reflects the fact that the UK Government will be receiving more landfill receipts, so it will strip that out from our block grant.

John Mason: I will leave it at that.

The Convener: Craig Hoy, you can pop back in.

Craig Hoy: Convener, I have been playing a bit of budget bingo, ticking off things that other colleagues have brought up. I will dip in and out of some of them, if I may.

Minister, I accept that the reductions in ADP are as against the forecast that was independently created. An FOI request that was published in January showed Social Security Scotland's expenditure on benefits advertising: in 2024, there was advertising of the adult disability payment; in 2025, there was advertising of the Scottish child payment. Have you done any work as part of the public service reform programme to see whether there is any linkage between advertising a benefit and its take-up against the forecast? Why, for example, would you stop advertising the adult disability payment now, given that, presumably, people are coming into adulthood with disabilities? If you wanted to promote uptake of the benefit now and into the future, Social Security would,

presumably, sustain that expenditure—unless it is having a detrimental impact on take-up, making it ahead of and above expectations.

Ivan McKee: I do not know the detail of that. Decisions to deploy advertising to publicize the availability of benefits were made within Social Security Scotland and the relevant portfolio. To go back to a point that the convener made, uptake depends on a number of factors; however, if people are not aware that they are entitled to benefits, it is clearly a role of the Government and its agencies to make them aware. I can take a look at whether there is any analysis on the specifics of how that might drive uptake and how that is quantified, and come back.

Craig Hoy: The paper that I am looking at says,

"While application volumes have remained relatively stable, the authorisation rate has been lower than forecast".

Has there been any change to the authorisation methodology that might mean that more people are being refused the benefit, or taken off it at annual review?

Ivan McKee: As I said, there are a number of factors. With the transition of the benefit, there will be one pool of people who have been through various processes—in the UK context, obviously—and there will new applicants coming through who will not have been through that process or been assessed by Social Security Scotland under its mechanism. I am not close to the detail on that, but I would expect it to continually reassess its processes to ensure that they are appropriate.

Craig Hoy: I want to ask about something that falls within your portfolio. The invest-to-save fund has reduced by £12.4 million, reflecting several projects that are less delivery-ready than initially anticipated. My understanding is that that fund was £30 million for the previous year. That means that about 50 per cent of that fund was not spent. What does that tell you about the Government's capability to reform at speed, if half of that fund has not been spent?

Ivan McKee: You have to remember that that is one part of a suite of things that are happening. It is the first time that we have undertaken that novel approach. We focused on tackling a specific problem: reducing costs in one part of the system in a different financial year when the cost is included in another part of the system in the current financial year.

Clearly, in the normal run of events, there is no incentive for the portfolio that is seeking to make that expenditure to spend it out of the current year's budget when someone else gets the benefit in several years' time. We designed the system to cope with that. We invited applications from multiple portfolios to work together, and there is a clawback mechanism whereby a proportion of the fund comes back in future years, based on the assessment of the savings that they make in the other portfolios.

I will be honest with you—we did not know how that was going to work. We have had some uptake, which is good, and a number of very successful projects. We pitched a number of proposals where we thought they might land. However, because it is quite a different way of budgeting and deploying resources, portfolios are working at pace to get their heads round how they engage with the process. It would have been good had there been more take-up, but that tells us that we have more work to do to get people to focus on preventative opportunities, because they did not previously have a mechanism to resolve that.

Craig Hoy: When we talked about the number of applications to the fund, one would assume that you may have been keen to get shovel-ready projects to show that the scheme was working. You have to admit that it is quite concerning that nearly half of that budget has not been spent, given the need—because of the budget imperative—for you to reform at pace and at scale.

Ivan McKee: I would not read into that that the whole PSR programme has a challenge. This is one specific part of it, which focuses very much on cross-portfolio and multiyear preventative opportunities. As I said, it has signalled that we have more work to do to get directorates and agencies to understand the funding stream and how they are able to use it, because it is quite different from what they are used to. Usually, funding is provided and that is it. This measure has funding with strings, and it requires integration and co-operation, so it is moving into quite a different space.

The fact that we are doing that is very important, because it changes the tone and the approach across Government and the wider public sector. We have learned some lessons this year as to how we can increase take-up going forward. As you know, we are repeating the funding in the next financial year.

Craig Hoy: I have a final question. In the transport portfolio, £15.3 million in additional funding is being provided, of which £10 million relates to an increase in the forecast cost of concessionary fares. Do you have any understanding as to why that cost has risen by £10 million in a year?

Ivan McKee: I would expect that that is because more people are using the service. If I am not mistaken, operators make a claim on the funding based on usage. I can double-check that. However, if that is an indication of more people who are eligible for concessionary travel travelling

more on buses, I suppose that I would say that that would be a positive thing. I can check the specifics on that for you.

Craig Hoy: Yes—if you could. Equally, I do not have a detailed understanding of it, but one operator has told me that they are compensated fully for one of the two schemes, but a fixed amount is provided for the other scheme. I do not know whether that relates to the under-22s scheme or the over-60s scheme, but there may be a similar overspend that has to be absorbed by bus companies. Mr Harvie might be aware of how it operates. It would be interesting to see whether that relates to one specific scheme or whether it is just a general oversubscription against forecast.

Ivan McKee: We will check the detail on that and get back to you.

11:30

Michael Marra: I will go back to public service reform. On pages 5 and 6 of the spring budget revision document, you highlight two different and, in the overall picture, relatively small amounts of money. There is a £12 million reduction in the finance and local government portfolio for public sector reform and a £1.5 million reduction in the funding for education reform. Will you give us any detail as to why that is the case?

Ivan McKee: I do not have any information on the smaller number—the £1 million or so. The bigger number comes back to the point that Mr Hoy made about the invest-to-save scheme. As I said earlier in relation to the uptake of the £30 million scheme, it is only one part of what is happening. It is tackling a specific challenge of portfolios perhaps not taking up opportunities because of the way in which the budget process has traditionally worked. The scheme is a mechanism to alleviate that problem. Because it is a different way of doing business, it is not necessarily something that the portfolios would have been looking for, and so it was perhaps always going to be a bit of a challenge to get everything right in the first year.

Michael Marra: Is the £12 million part of the £30 million scheme?

Ivan McKee: Yes.

Liz Smith: I have a question that relates to an answer that you gave to the convener. You said that, when a decision relates to the private sector, you cannot automatically assume what the decision will be. Will you update us on the discussions that are taking place in the Government—you have referred to those discussions in the chamber, and the Deputy First Minister has referred to them a lot—about collaboration between the private and public sectors, particularly on infrastructure investment? What stage are you at with those discussions, given the fiscal constraints that exist on infrastructure development?

Ivan McKee: The Government's focus with regard to investment, which the Deputy First Minister leads on, is to understand the appetite in different parts of the investment community. There is a wide and varied landscape when it comes to investment in public sector opportunities. A lot of work is going on in the relevant directorate on the InvestScotland portal, which is identifying projects that the private sector may have an interest in. Work is on-going to get those projects to a level of detail and granularity so that the prospectus can be what we would call investor ready, which is when investors are able to use it to identify and understand how a business case stacks up. The mechanisms that could be used for that will depend, to some extent, on the nature of the opportunity.

Liz Smith: I ask that question because the committee has stated a few times that, when it comes to infrastructure development, there are huge fiscal constraints—such as the priorities that are put out for building new roads, or whatever it might be. It is therefore helpful to see the priorities with regard to which infrastructure projects should happen and how quickly they should happen. Some of those projects would also benefit from collaboration with the private sector. After the election, will the Scottish Government consider being transparent not only about those discussions but about the kind of activities that are in play, in order to ensure that there is better investment?

Ivan McKee: As I said, the process is on-going. It is about working hard with investors, who can be anything from venture capitalists—we have talked about pension funds—to international investors, sovereign or otherwise. There is a whole range of partners that could be engaged with. The Deputy First Minister is just back from a trip to the Emirates, where there was extensive discussion with potential investors about things that it might be appropriate for them to invest in.

There are many different priorities. There are things that the Government would assess as priorities that require investment, and we are now going through a budget process in which Opposition parties are, to a lesser or greater extent, saying what their priorities are. However, the picture is complicated by how those priorities are married to what private investors think that their priorities are.

Liz Smith: The point is that such collaboration could provide the Government with some extra funding. When there are complaints about certain

roads not being adequately dualled, certain bridges needing to be rebuilt or infrastructure problems in certain parts of Scotland, it will be helpful to our successor committee to have more discussion and a greater focus on how that sort of approach can be put into operation to ensure a greater supply of investment funds, potentially, to allow some of those things to be delivered.

Ivan McKee: There are a number of parts to that. For a start, there is extensive engagement with investors, led by the DFM, and I have given examples of how that is continuing apace. There is also the investment portal, where specific projects are identified, and obviously that is publicly available.

At the end of the day, we might want something done, but that does not necessarily mean that that is where investors want to put their money, and marrying those things up is a key part of the process. In any case, this is not free money that we are talking about—it comes at a cost. Yes, you can increase the amount of money that you have for capital investment in the here and now but, depending on how the deal is designed, there will be a payment to make in order to pay back that investment, and that might or might not make sense as we move into the future.

Patrick Harvie: I think that Craig Hoy was inviting me to ask a question on bus subsidy earlier. The only thing that I would say is to reassure him that public transport subsidy will work much better once we have taken the system back from the notoriously inefficient private sector. I hope that he is looking forward to that.

I want to pick up on the comments that the convener made about the reduction in the climate and energy portfolio. It is a significant reduction, minister, and I understand the arguments that you have made about activity in offshore wind being a major element that is not necessarily within the Government's control. However, how, and why, was the decision made to take that funding out of the climate and energy portfolio instead of redeploying it in another part of the portfolio?

I am thinking, for example, of the heat in buildings programme. The Government has scrapped the bill on that, but the programme is still there and, as far as I am aware, the commitment made by the Government at the start of the session to spend £1.8 billion on the programme over the parliamentary session is still there, too. At the end of 2025, £1.67 billion had been allocated, which is pretty close, but less than half of the £1.8 billion had actually been spent by the end of last year. Did the climate and energy portfolio at least make a bid within Government for the money that is not going to be spent as a result of changes in the offshore wind sector to be redeployed in other parts of the climate portfolio that are underperforming so badly?

Ivan McKee: There are a few things there. When it comes to moving money about—particularly capital money—you cannot just throw a switch to move £100 million from here to there. Projects have to be in place to support any such move.

Much of this is demand led—that applies to the example that you cited of the heat in buildings programme. A number of factors would have affected where any underspend that had been identified would have been redeployed; after all, there is a whole range of other investments that are made, which are based on priorities but also very much on whether there are projects ready to deploy those funds in the time period in question.

The specific issue that you highlighted would have been the subject of a conversation between the cabinet secretary and the relevant portfolio minister, and I was not specifically involved in it. However, if you want specifics, I can seek more detail on what was proposed.

Patrick Harvie: I am slightly surprised that you are not able to tell us why the decision was made to take that funding out of the portfolio instead of redeploying it within the portfolio, given that it is one of the changes that you are making. If you can come back to us with an explanation and say what alternative uses within the portfolio were at least considered, that will be helpful.

Ivan McKee: I can do that. However, what I will say is that, although we certainly look at this in the abstract from a policy perspective, the nuts and bolts—the reality—of how this works is that there are year-end requirements to deploy the funds, and whether they are deployed is based to a large extent on where they can best be deployed or how they can be deployed, rather than where, in a perfect world, we might think that we want them to be deployed.

Patrick Harvie: I acknowledge that we are very far from a perfect world. The underperformance of climate policy over the past few years, particularly on the heat in buildings programme, but also on other aspects, has been pretty stark.

The Convener: I have a few more questions. One issue that comes up every year is pensions. There is an increase of £115.7 million in forecast future NHS and teachers' pension costs. I appreciate that it has no impact on the Scottish Government's discretionary spend, but I wonder why there is a substantial underestimate of those costs every year—whether for the police, fire services, teachers or the NHS—given that we know when folk will retire. I have made that point on numerous occasions. There seems to be a

huge adjustment in both the autumn and spring budget revisions.

Ivan McKee: I will let officials comment on that. I am not sure what the adjustments are as a percentage of the total pension bill. If I am not mistaken, the biggest adjustment this year is the £300-plus million figure from DEL to AME on certain pensions. That figure is affected by a range of factors, including the number of people who retire. People may choose to retire early or to make other decisions.

The Convener: I do not recall the figure ever going the other way. There is never an overestimate; it is always an underestimate. We always end up with quite substantial figures—nine-figure sums in this case.

Claire Hughes: It is classified as AME because it is recognised by the UK Government as being very volatile and hard to predict. The payments are comparable to those in the UK, so we are not an outlier. The expenditure is also fully covered by the UK Government via AME, and there is no loss in our discretionary spending as a result of that additional budget cover.

The Convener: I am not particularly convinced by that, but we will move on, as I have other things to raise.

The committee has raised many times—and the Government has done a lot of work to take into account—the fact that sums get moved every year, sometimes twice a year. It seems to me that it is the same sums that get moved every year.

For example, the transfer of £186.5 million from education and skills to local government, which falls within the finance and local government portfolio, is to support teacher numbers. Surely that amount should have been in the local government portfolio to start off with. We have this argument that there is policy and there is delivery, but seeing those changes distorts the budget lines. In 2026-27, will that figure be put in education and skills again, or will it be in the local government portfolio, which is where it should be?

Ivan McKee: I would need to check that specific example, but I expect that it would follow the same process. Baselining activity also happens on an on-going basis but, as you said, it comes down to where the policy decisions are made on the portfolio's priorities and then where the delivery happens, which is where the funds are transferred to. That number can also vary depending on a range of factors.

The Convener: If it is a set number, surely it should sit in the area where the policy will be delivered. It seems to me—and I am sure to other colleagues—to be an odd way of looking at it. If you know that a sum of money will be moved, it should ultimately sit in the area where it will be deployed.

Ivan McKee: You may not know what the number is—

The Convener: Whether the figure is £186.5 million or £200 million, it should sit in the area where it will be deployed. It seems odd to put it in education and skills if it will always be spent by local government. The Government will not suddenly remove that £186.5 million, will it? The figure will either stay the same in the next financial year or go up. What is the point of having it in a portfolio if it will not be spent there and you know that it will be spent in a different portfolio? It doesnae make sense.

Two other examples come from transfers from health and social care to education and skills—one is £22.7 million for new medical places and the other is to support teaching fees. Again, those transfer figures are recirculated every year. It would make everything more transparent if the money were allocated to the portfolio where it is to be deployed.

11:45

I will make a couple of other points before we wind up. We have not touched on ScotWind today, although the committee has raised such issues a number of times previously. The finance update to us says:

> "it is now possible to release £188 million of the planned draw down of ScotWind funding in-year to support the 2026-27 Scottish Budget and future years of the Spending Review."

In the ABR, £341 million was committed from ScotWind, but that sum has been reduced to the one that I just mentioned. That is quite a substantial difference.

The ScotWind figures seem to always go up and down, with the funding being deployed, to an extent, as though it is part of the Scotland reserve. How much money is currently in the ScotWind fund? Does the Government intend to use that funding to more or less cushion resource spending in the future, or will it be used for capital spending, as was the original plan?

Ivan McKee: As you said, the funding is to be used to support climate investments for the future. The numbers that you mentioned are big in the context of the ScotWind budget, but they are relatively small in the context of the overall capital programme.

The Convener: The difference in the ScotWind resource is huge. How much ScotWind funding will be left after that money has been put back in, so to speak?

Craig Maidment: The total revenue from ScotWind and the innovation and targeted oil and gas leasing round amounted to £810 million, and £96 million of that has been used—I think that that was in 2022-23—so the balance of £714 million is still available, although £176 million of that is set out in the SBR. The vast majority—I am trying to do the maths in my head—of the £538 million, which is about £508 million, is profiled across next year's budget and the rest of the spending review period, primarily on capital lines.

The Convener: A lot of the money is going into next year's budget, so it will not be available for future years, as was originally intended. The committee will probably revisit that matter.

Finally, £47.8 million in city deal funding is being returned to the Treasury to be reprofiled in future years, with no loss of funding for the overall city deal programme. How is that going to work? The funding is being returned to the Treasury, and then we will get it back in future years. Why is it being returned if we will end up having to ask the Treasury to send it back to us in future years? It seems a bit odd to go through that process.

Craig Maidment: That is to do with the ring fencing of the funding—the city deal funding that is specifically tied to city deals projects and is not part of the general Barnett block grant. We are not able to carry forward that funding in the reserve, so it will go back to the UK Government, and then it will come back in the next budget.

The Convener: It is an accounting measure. Ultimately, does that mean that there has been a slowdown in the delivery of some city deals?

Craig Maidment: There have been underspends compared with the original budgets that were forecast in the current year, which is why the funding has gone back.

The Convener: That is obviously a concern in itself.

Craig Maidment: The overall commitment, in terms of the sums being deployed, remains the same.

The Convener: I will leave it at that. I thank the minister and his officials for their evidence.

Our next item is formal consideration of the motion on the regulations. I invite the minister to move motion S6M-20541.

Motion moved,

That the Finance and Public Administration Committee recommends that the Budget (Scotland) Act 2025 Amendment Regulations 2026 [draft] be approved.—[*Ivan McKee*]

Motion agreed to.

The Convener: The committee will publish a short report that sets out our decision on the regulations.

As that was the last item in public on our agenda, I move the meeting into private session.

11:49

Meeting continued in private until 11:55.

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