OFFICIAL REPORT
AITHISG OIFIGEIL

Finance and Public Administration Committee

Tuesday 10 March 2026

Session 6

The Scottish Parliament
Pàrlamaid na h-Alba

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website—
www.parliament.scot or by contacting Public Information on 0131 348 5000

Tuesday 10 March 2026

CONTENTS

	Col.
SCOTTISH SPENDING REVIEW AND INFRASTRUCTURE DELIVERY PIPELINE 2026	**1**
PUBLIC ADMINISTRATION IN THE SCOTTISH GOVERNMENT	**38**
SUBORDINATE LEGISLATION	**75**
Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2026 (SSI 2026/97)	75

FINANCE AND PUBLIC ADMINISTRATION COMMITTEE
10th 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:

Lesley Fraser (Scottish Government)
Joe Griffin (Scottish Government)
Richard McCallum (Scottish Government)
Ivan McKee (Minister for Public Finance)
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 10 March 2026

[The Convener opened the meeting at 08:40]

Scottish Spending Review and Infrastructure Delivery Pipeline 2026

The Convener (Kenneth Gibson): Good morning, and welcome to the 10th meeting in 2026 of the Finance and Public Administration Committee. We have received apologies from Patrick Harvie.

The first item on the agenda is an evidence session on the Scottish spending review and infrastructure delivery pipeline 2026. We are joined by Shona Robison MSP, Cabinet Secretary for Finance and Local Government. The cabinet secretary is accompanied by the following Scottish Government officials: Richard McCallum, director of public spending, and Cathy Sumner, head of the public spending team. I wish all three of you a good morning and welcome you to the meeting. Before we move to questions, I invite the cabinet secretary to make a short opening statement.

The Cabinet Secretary for Finance and Local Government (Shona Robison): Good morning, everyone. I welcome the opportunity to discuss the spending review and infrastructure delivery pipeline. I am grateful for the committee's engagement so far on those publications as part of the budget scrutiny process. Alongside the 2026-27 budget that was introduced on 13 January, there are a range of other important fiscal publications.

The Scottish spending review outlines resource spending plans for 2028-29 and capital plans for 2029-30, and is the first combined resource and capital spending review since 2011. The infrastructure delivery pipeline sets out the projects and programmes that will be supported through those spending decisions, providing a clear view of the investments that will underpin long-term resilience and economic growth. I hope that the United Kingdom Government continues to commit to regular spending reviews so that future Scottish Governments can also bring forward multiyear plans.

We face an extremely challenging fiscal landscape. At the time of publication, our resource block grant was forecast to increase by an average of only 0.5 per cent per year in real terms, while our capital block grant was forecast to fall by 0.3 per cent in real terms over the spending review period. Current events in the middle east may have a significant impact on prices and the economy. The Office for Budget Responsibility forecast last week did not reflect that, but there are real risks for inflation and growth, which could affect public sector costs and funding in Scotland.

As I have said before, we have very limited levers for managing budget volatility. That underlines the need for greater fiscal flexibilities, which I am keen should be pursued as part of the next fiscal framework review. Nonetheless, we have developed multiyear plans that are based firmly on our core priorities of eradicating child poverty, growing the economy, tackling climate change and ensuring sustainable, high-quality public services.

In preparing the spending review, we have considered the views of external commentators and stakeholders, including those of the committee, and we have aligned our spending review with that of the UK Government. We have clearly outlined how our spending supports our priorities and integrated public service reform.

I know that the committee will want to discuss the level of detail that is provided in the spending review, and we carefully considered the merits of providing more granular plans. Although I appreciate the view that figures at levels 3 or 4 across all portfolios could further support multiyear planning, I have to balance that with the flexibility required to respond to volatility over a multiyear period. For that reason, although we have provided more detailed plans in the largest spending areas, most portfolio budgets are published at level 2. I note that that goes further than the UK spending review, which provided plans at departmental level.

08:45

For the first time, the spending review includes detailed portfolio efficiency and reform plans that set out how portfolios will deliver around £1.5 billion of cumulative savings over the period, through reform, productivity and efficiency, while protecting front-line services. These plans provide a clear portfolio-by-portfolio account of the actions that are being taken to deliver the ambitions of the fiscal sustainability delivery plan and the public service reform strategy, and they represent a step change in transparency. The increased level of detail has been welcomed by the Scottish Fiscal Commission, the Institute for Fiscal Studies and other stakeholders, which have recognised the clearer articulation of how savings will be achieved. We will build on that work, focusing on delivery, monitoring and assurance, and we will report publicly on progress as plans mature to

ensure that they remain credible, achievable and aligned with our wider reform agenda.

The infrastructure delivery pipeline builds on our strong track record of delivery and sets out more than £11 billion of investment that will drive Scotland's growth and development. It sets out that we will continue to explore revenue finance models to support the delivery of our infrastructure plans as we seek to make the most of public funding. With limited capital budgets, it is important that we look at all funding options.

Later this month, I will attend a Scottish local government pension scheme event to set out the Government's ambitions for investment in net zero and discuss collaboration with pension schemes. The investment outlined in the pipeline will support productivity and help to deliver long-term resilience in crucial areas such as housing, energy, transport and digital connectivity. It includes supporting the delivery of affordable homes, investing in renewing our rail fleet and ferry vessels, progressing A9 dualling and investing across the national health service estate.

To support effective scrutiny of the delivery of our planned infrastructure investment, I have published details of expected costs and timescales of the projects and programmes in the IDP. The Government will report twice a year on progress to deliver these investments.

These documents, which were published alongside the Scottish budget, represent a more integrated approach to our short and medium-term planning. I hope that they will support the committee in its scrutiny. I thank you for your time and engagement with the multiyear spending publications. I look forward to discussing them in more detail.

The Convener: Thank you very much. Your opening statement has, in fact, moved me to other areas than the ones that I was initially going to ask about.

I found your statement very helpful, and I take on board what you have said about budget flexibility. There is a lot more detail and transparency in the Scottish budget than in the UK equivalent. The UK budget provides plans at department level, whereas in Scotland, it is done to levels 3 and 4 in some areas and level 2 in others. Over the years, as you are well aware, the committee has pressed for consistency of approach. Do you not agree that if there were a simple approach of providing level 4 figures, for example, across the board, that would provide more certainty for stakeholders? I know what you are saying about flexibility, but if you are going to provide level 4 funding figures for some particularly big spending areas—where there are likely, I imagine, to be more changes than in the smaller areas—I would have thought that it would have been best to provide level 4 figures across the board.

Shona Robison: As I said in my opening remarks, it is important to have flexibility to respond to volatility. We can already see where that volatility may come from, with the uncertainty on the global stage, and, within a week of the budget being passed, we had a spring statement with a complete change in the funding outlook—I am sure that we will touch on that a bit more. Although additional funding is welcome, having that just a week after the budget has been passed shows how things move and change straight away. There is then the opportunity to deploy £900 million as part of the spending review.

As I have said before, the budget and the spending review are true at the time of publication, but, because our funding is dependent on UK Government decisions, it can change straight away—and it has.

The Convener: We all appreciate that, but if you have those core level 4 figures, for example, and there is additional funding, that can be added to those figures, and people can see exactly where the Government's priorities are.

I will move on to pension funds, because they have been talked about for years as a pot of gold at the end of the rainbow for housing and other areas. What practical challenges are there in accessing some of those funds? Housing has been mentioned repeatedly over the years, but that action has never quite transpired. The Deputy First Minister has been engaging with a number of people on that issue for some time, and we are still looking for some fruition from that. Where are we with that?

Shona Robison: We are keen to work with the bodies that are overseeing local government pensions—the Scottish Government is not one of them—to align priorities and make investment in Scottish infrastructure an explicit aim of the pension schemes. In itself, it would be a bit of a change to have that as an explicit aim and to have a percentage aim. There are some very good signals coming, and the event that I will attend later this month will show that we are trying to align and increase collaboration across the pension schemes.

The Scottish National Investment Bank has an important role in that, and engaging with those stakeholders to progress collaboration opportunities is important. We have had some co-investment already. The Strathclyde Pension Fund has already co-invested with SNIB. SNIB previously invested £60 million alongside pension funds, including £45 million from the Strathclyde Pension Fund, in the mid-market rent sector, which

is very important in delivering more in that space. SNIB has also partnered with Strathclyde Pension Fund—by investing £20 million alongside Strathclyde Pension Fund's £25 million—to launch a £67 million venture fund, which is managed by Par Equity, to support innovative technology companies with high-growth potential in Scotland. There is a history here.

I would like to see change—this is the reason why we are attending the event later this month—in that there could be more collaboration, and those funds could have a more explicit aim to invest in Scotland, whether it is in infrastructure or in business growth. We will see what comes out of the event.

The Convener: Toes have been dipped in the water, but the scale needs to be increased significantly, if that is possible.

Shona Robison: It does.

The Convener: You also talked about the mutual investment model, without naming it specifically. That was rejected for the A9. The costs involved in that are very significant in terms of resource and, with up to 3.6 times the cost having to be paid back, it is near private finance initiative levels. In what circumstances would that investment model be entered into? It looks like a very expensive way of delivering projects. If history has taught us anything, it is that we do not necessarily want to be in a position whereby, 20 years from now, people are still paying through the nose for projects that were delivered long ago.

Shona Robison: Let me say a few things. First, a value-for-money case has to be made.

The Convener: As happened with the A9.

Shona Robison: Indeed. It depends on the social value of a project. For example, projects that may deliver more in the primary care space would have a higher social value when it comes to scoring for the value-for-money case. It is also worth saying that we will never get an equivalent to the Public Works Loan Board. However, when it comes down to doing something or not doing it, the question is whether we find other ways of raising the finance to take, for example, primary care facilities forward. The Treasury is looking at exactly that because of the lack of health capital down south. It is also important to say that, compared with the initial old-school PFI projects, a model such as the mutual investment model is a huge improvement. The Welsh Government has utilised it for a number of projects and has managed to extract a lot of social value and gain out of those projects.

Such projects are a lot better than the PFI projects of the past, but it is still a more expensive way to borrow. If you look at the importance of the primary care facilities—the hubs—in delivering a new model for health, it is hard to see how you could do that without that primary care investment. Unless there is a change of direction in the decline in the availability of health capital, the question will be whether we can do it through only that mechanism. That is a decision that will need to be made by a future Scottish Government.

It is also important to say that we are trying to get intelligence from the Treasury around the models that it might use, because there might be economies of scale when it comes to extracting best value in that regard.

The two priority areas for that are primary care and further education. We have previously used revenue finance models for colleges, so it is not a new thing. Those two areas of priority would currently struggle to get through the capital departmental expenditure limit outlook that exists.

The Convener: Well, 2.9 to 3.6 times the cost is still better than 5.5 times the cost for the Ayrshire schools programme in my area, or 15 times higher for the Edinburgh royal infirmary, but it is still a lot of money at a time when resources are not exactly abundant and would have to contribute towards that. I have concerns about that.

The Scottish Funding Council said:

"having a radical review of roles and responsibilities, almost putting finance to one side, could be beneficial".—[*Official Report*, *Finance and Public Administration Committee*, 24 February 2026; c 38.]

That touches on the zero-budgeting model that we have raised in the committee on a number of occasions. Will more be done in that area? The committee felt that the responses to our requests in that area were not dealt with in any great detail and there was not any great commitment to that. At a time of financial difficulty, going back to first principles—although we accept that it is not something that can be done overnight—that model could be a way to release additional funds.

Shona Robison: As part of the transformation of public services, that will absolutely be required and must be the key priority in the next session of the Parliament and for the next Scottish Government. If there is to be a boldness in how you deliver services, whether that is by changing the landscape of delivery or who delivers, it will require funding to be looked at in a different way. However, we need to have the blueprint of what that looks like, and then the funding needs to follow that blueprint.

The Convener: The Funding Council said that it had

"a very welcome budget uplift for 2026-27, which will support stabilisation."

The Convention of Scottish Local Authorities said:

"We need to have a radical review of what we are all delivering and what Scotland wants us to deliver."—[*Official Report, Finance and Public Administration Committee*, 24 February 2026; c 13, 38.]

Shona Robison: A good example is the post-16 education space. At the moment, you have the senior phase of school, colleges and universities, particularly through the flexible arrangements for access to university, which quite often target the same young people to try to persuade them either to complete the senior phase of school, go to college or embark on a university course. A lot of work has been done with the Withers review on how we deliver a system that works better for young people.

There is more to be done in that space. We could utilise the funding that goes into that space more effectively, but those will be decisions for a future Scottish Government. I am putting down my reflections, including those on my daughter's experience. We can draw only on what we see and experience, but there is a need for us to look at that landscape.

09:00

The Convener: You talked about the budget being passed and additional funding of some £900 million over three years from the UK Government, although my understanding is that £540 million of that is in the first year but only £13 million in the second year, so it is a bit of a rollercoaster. Witnesses have suggested that it would be helpful for the Government to say how it will prioritise additional spending. We have the Scottish budget, but if additional funding becomes available, no obvious information seems to have been provided; for example, the Government could say: "Health and social care needs a boost, so that would be our number 1 priority." Will the Scottish Government do that as part of the programme? Will it say, "This is our core budget for this financial year, and this is where the SSR is going, but if additional money becomes available, we would like to do this and we would like to do that"? If, for whatever reason, there was less money, and there was a shock to the system, it would also be helpful to know what would be deprioritised, but, more importantly, where additional funding will be invested.

Shona Robison: As you have touched on, we must also look at the profiling of any additional funding. The additional funding for 2026-27—£545 million, I think—is not recurring.

The Convener: I appreciate that. There is a £540 million drop, effectively.

Shona Robison: We have to take into account that the recurring money, £380 million, comes in in 2028-29. It would not be wise to utilise that funding in 2026-27 for front-line services in case it goes off a cliff. However, as I have said before, on the utilisation of ScotWind to smooth through the very challenging year of 2027-28, the priority would be to unpick that, as we have done previously. Those decisions will be for the next Scottish Government, but there is an opportunity to unwind some of that ScotWind funding and smooth the spending review period through to 2028-29. I suspect that parties will write manifestos on their priorities for existing spend and any additional spend, but, as I said, there is an opportunity to unwind some of that ScotWind money and smooth the spending review period.

In 2028-29, there is a better outlook—at the moment, anyway—on additional funding and what was already in the system. A number of key pressures could easily benefit from some of those resources. It will be for the next Scottish Government to decide what the priorities should be for social care, which you mentioned, convener. I hasten to add that we have to wait for the main estimates in May for that to be confirmed.

As I mentioned in my opening remarks, we are in a period of global instability, with rising costs of living and pressure on public services. Everything is going to cost more, from police cars on the road to ambulances to local government services. We have to bear in mind that the cost of everything is going to go up.

The Convener: One hopes that it is only a short-term shock, if anything.

I am sure that colleagues will want to explore the public sector reform strategy in some detail, so I will not go into it in any depth. The strategy sets out commitments to change the system of public services to be preventative, better joined up and more efficient, in order to better deliver for people, and it sets out how systemic barriers to change will be tackled. We have been talking about preventative spend in the committee, and it has been talked about a lot in this parliamentary session. John Mason and I were in the 2011-16 Parliament, and we discussed it ad infinitum. It seems to be talked about more than acted upon, so how can we be reassured that work will be taken forward to ensure that there is, as it says on the tin, better delivery in preventative spend?

Shona Robison: First of all, I think that it is important for the Government, as it has done, to set out the level of ambition and the fact that this needs to be done across the whole of the public sector. That takes us into the quite tricky territory of trying to define front-line and back-office roles, and we need to do that in partnership with the staff side as far as possible.

The question, then, is how bold the next Scottish Government is going to be with regard to changing

the delivery landscape. My sense is that there will be boldness in that respect, because we do need to think about that landscape and what it should look like for a country of our size. By that, I mean going beyond looking at how many of the 133 public bodies should or should not exist to questions such as who is doing what and where, and whether there is an opportunity to deliver services in a more integrated and joined-up way. After all, we know that supporting families early saves money; indeed, we see great examples of that already happening.

The Convener: Family nurse partnerships.

Shona Robison: Yes, and we need to see more of that sort of thing. We have laid the groundwork for what could be a really bold opportunity for the next Parliament.

A question for the Parliament is whether these issues become issues of broad consensus or of division. I still hear people saying in the chamber that it was not right to bring the police or the fire services into a single service—of which, incidentally, I am a very strong proponent.

The Convener: Me too.

Shona Robison: You just need to look at the way in which things such as serious and organised crime, for one, have been tackled.

The Convener: It has been more efficient and more effective.

Shona Robison: All of that, but there are still those who say that it was the wrong way to go.

If there is to be, as I think there should be, a real boldness when it comes to change, I just hope that not every detail of every change will be resisted at every stage as it goes through Parliament.

The Convener: Luck favours the brave.

Shona Robison: There needs to be a bit of a wake-up call that it is something that Parliament, and not just Government, should embrace.

The Convener: I know. This has always been a real issue with disinvestment. Everyone wants more to be spent on prevention, but no one wants to disinvest in things that do not work as well.

Shona Robison: Indeed.

The Convener: I do not want to ask too much more, because, apart from anything else, John Mason will have his stopwatch out, and time is limited this morning.

The Scottish Government plans to report on progress on delivering projects and programmes set out in the investment delivery plan every six months. When will those reports come out? Will it be in May and November, April and October or whatever? I would just like to know what the plan is, so that we can get something tied down.

Shona Robison: The first one will be in six months, so when would that take us to, Richard?

The Convener: I did not think that it was six months from today—I thought that it was just every six months.

Richard McCallum (Scottish Government): That is something that we will agree with new sets of ministers beyond May. However, our intention is that, having published the IDP in January, we would be looking at publishing the first update on where we are with the plan probably just after summer recess. The format will be similar to how we reported on the previous pipeline information on projects, setting out where things are and providing an update on costs.

The Convener: With regard to the IDP, there have been concerns about the cost timelines, potential overruns in projects and the split between delivery and development costs with regard to what exactly will be delivered and by when. However, cost is a difficult issue. Unless something that you have put out to tender has already been signed and delivered, the fact is that, if you put a hard and fast cost on something, you could make it the minimum for tenders. Therefore, I appreciate that that can prove difficult, but surely, once that is done, the costs, and indeed the delivery times, will be much more carved on tablets of stone.

One of the issues that we have, and which I raised last week with the Scottish Futures Trust and the Construction Industry Training Board, is that cost overruns and delays seem almost to be expected, which I think is wrong. If a sum of money is paid to have something done, it should be done by the date that has been agreed for that sum of money. We know that there is inflation, but one would have thought that optimism bias would be built in when a contractor submits their tender. Inflation is a feeble excuse for some of the overruns that we have had. The same problem is faced across the UK, with HS2 and other megaprojects vastly exceeding the initial cost estimates.

What extra information could be provided? For example, I feel that annex B in the IDP is more of a wish list than a detailed list of projects, which creates uncertainty. CITB told us that most construction companies are very small and that they want certainty in relation to what will come in the door over the next six months to two years. It would help if a lot more detail was provided for such projects. If it is not possible for the IDP to be specific on cost, should it not at least be specific on timescale?

Shona Robison: The first thing to say is that information on the expected costs and timeframes for the projects that you are referring to will be included in future infrastructure delivery pipelines once the business cases have been completed and approved. We have tried to disaggregate the projects into those for which the business cases have been completed and those for which the business cases are still being completed.

With regard to your point about construction inflation and optimism bias, the Scottish public finance manual requires that, in developing business cases, the guidance that is set out in the green book must be followed. The green book explicitly requires adjustments to be made for optimism bias.

Since the Covid period, construction inflation has been running at an extremely high level, and it is unlikely to fall back to pre-Covid levels any time soon. There is also the current global situation, which will undoubtedly not help to create a stable cost environment. People are already talking about a shortage of materials, which will drive up costs.

In theory, all those things should be nailed down, optimism bias should be built in and the contracts should be well managed, but none of us can foresee events that lead to a shortage of materials.

The Convener: I fully appreciate that, but an issue that I have discussed with the Scottish Fiscal Commission and others is the fact that the gross domestic product deflator is a ludicrous way to assess capital costs, given that it bears no relation to the actual costs. Mention has been made of modest declines in capital, but, when we look at what can be delivered on the ground, we realise that the declines are a lot greater than that. It is important that we have a realistic measure of capital costs.

An issue of great frustration to many members is the cost of the procurement process and the associated bureaucracy, and, in particular, the vast cost of consultancy fees and so on. As I mentioned last week, I remember Donald Cameron, who is now Lord Cameron, raising the fact that some £18 million had been spent on consultancy fees in relation to the Rest and Be Thankful. For God's sake, it is just a road that is exposed to a lot of landslides. Why did it cost £18 million for consultants to work out a way of sorting that out? Ordinary people—laypeople—cannot comprehend why those fees are so vast. Such expenditure detracts from the delivery of projects, and it seems to lead to dithering and delay, with the result that a project that could be done in a year or two takes three years or five years.

What can be done to de-bureaucratise the delivery of such projects? In my view, the process for many of the projects that we are talking about seems to be a dripping roast for consultants.

09:15

Shona Robison: The creation of frameworks and programmes of work can help. That will not be possible in all areas, because there will be stand-alone projects that do not form part of a programme of work. However, if there is certainty regarding a pipeline of investment in housing or primary care, for example, consultancy costs can be brought down by doing things once and a framework can be created that does not have to be constantly revisited. When we have a line of sight on big investments, we can do things slightly differently. In relation to stand-alone projects, the difficulty is that, understandably, the public sector is under constant pressure to dot every i and cross every t, which costs money.

I do not know whether Richard—

The Convener: Hold on a second. If £18 million is spent on consultancy fees, even if an astronomical sum of £1,000 a day is paid for consultancy, do 18,000 days of work go into that for one road?

Shona Robison: I share your concern about such figures.

The Convener: Come on. Things must be able to be done more efficiently, more effectively and more timeously.

Shona Robison: Yes.

Richard McCallum: I know that the committee raised the issue with Peter Reekie from the SFT last week. The SFT has been doing a lot of work with local authorities, the NHS, Transport Scotland and other partners to get under the skin of why consultancy costs are what they are and to seek to bring them down when possible. We are working with the UK Government, the Welsh Government and others, because all nations are experiencing the problem and want to bring the costs down.

The cabinet secretary is right that we see spikes in consultancy costs for stand-alone projects. If we have more of a pipeline of work, we have an opportunity to manage consultancy fees in a different way.

The Convener: I will open up the session to colleagues around the table.

Michelle Thomson (Falkirk East) (SNP): Good morning, cabinet secretary. I was glad to hear you reflect in your opening remarks on the issue in the middle east. As you fairly said, it will obviously impact in some way, although none of us is certain whether the shock will be over the short or the longer term. Interest rates have an impact on UK

Government debt and all these things are factors in relation to inflation, construction costs and so on. Have you started to do scenario planning, particularly for infrastructure and build projects, to consider some of the implications?

Shona Robison: We have a risk register, and the global situation is clearly a key risk. The impact on interest rates, inflation and materials will be monitored. Obviously, we are concerned. We do not know how long the actual conflict will go on for, but there will be a tail of impact well beyond the cessation of the conflict. The situation will be monitored as part of our risk register.

Michelle Thomson: I can see that the global situation will be on the risk register, but I am talking about the plans themselves. I am sympathetic to the point about what the Government can and cannot put in the SSR, because the only thing that we can be certain about is that it will be wrong—that is just the way it is. However, the impacts might quickly flow in for some near-side projects. As well as putting the global situation on your risk register, are you considering the potential impact on plans that are in train and, critically, on budgets?

Shona Robison: We expect cabinet secretaries to be in constant contact with public services on areas that are most likely to experience the biggest impact. For example, there will be an impact on fuel costs. Cabinet secretaries will discuss with various public bodies and delivery bodies what the impact will be in reality and what that will mean for budgets and when things can be delivered.

Your question raises a wider issue about the lack of flexibility in the fiscal framework. I know that you have raised it before, as have I, and I will continue to do so. It will be really important for the next parliamentary session. Things like this come along and the levers that we have to flex in order to deal with an impact that could last for a number of years are extremely limited. I have got my last finance interministerial standing committee later this month, and I will continue to press the issue. We have agreed to carry out a review, but its terms must be realistic, given the current climate of uncertainty. The main certainty is the uncertainty of the next few years and what may come at Governments, including the cost and management of the services issues that you are alluding to. That really makes the case for greater flexibility.

Michelle Thomson: I completely agree, because if what is needed in the face of such uncertainty is growth, the fiscal framework—or, more specifically, its limitations, particularly the lack of borrowing powers for capital, which is quite fundamental—restricts the Scottish Government's ability to encourage growth.

I want to ask about a few other things that sort of fold into that. The first is flexibility in funding. Two weeks ago, in our evidence session with Police Scotland, we were told that when the forces merged to establish Police Scotland, the organisation lost its power to borrow and to hold reserves. The witness mentioned that Police Scotland was discussing the issue with you. Those aspects were described as

"incredibly important tools for us".—[*Official Report*, *Finance and Public Administration Committee*, 24 February 2026; c 26.]

Following on from that—although it did not come up in that evidence session—is the issue of flexibility for colleges. The sector believes that it is being restricted in its use of, for example, the college transformation framework funding to focus on encouraging growth.

It would be useful to get a quick update on both those issues.

Shona Robison: It is fair to say that the college sector and Police Scotland have raised these issues. The difficulty is that it would all count against borrowing, so their construct would have to change significantly. Otherwise, it is simply part of the one cake: it does not grow the cake, and therefore I cannot see what the advantage would be. In addition, if you completely changed the status of an organisation, there would be questions about where the accountability for delivery lies. It would become a different relationship.

That is not to say that these matters should never be looked at and discussed, but there are pros and cons. We are held to account regularly about the delivery of X number of police to do whatever. If you had a very different structure—akin to complete autonomy—to enable the organisation to have a status that could borrow, you would lose some of that accountability.

I do not know whether Richard McCallum or Cathy Sumner want to come in on that. Basically, that is the point.

Richard McCallum: Yes, it absolutely is. It would have to come from within the Scottish Government's borrowing powers, were we to provide more. Ultimately, it comes down to the discussion about the fiscal framework and what comes next—that is where the issue needs to be dealt with.

Michelle Thomson: It is ironic that the restrictions that are placed on the Scottish Government via the fiscal framework are passed on to public sector organisations.

Shona Robison: Local government is a different construct and has a different status. Authorities can borrow, and it could be argued that

they have more borrowing powers than we do. However, they must be cognisant of their ability to repay. Scottish local authorities have not made similar investment and borrowing decisions to some English local authorities, and we can see some of the results of their decisions. However, for the time being, the accountability and governance structure of organisations such as Police Scotland and the college sector are unlikely to change any time soon, I suspect.

Michelle Thomson: Following on from that—I am doing a bit of an overview of this parliamentary session—one of the issues that we have touched on habitually is that, to understand growth, we need to have the data, but there are missing data sets. The Fiscal Commission also raised that issue. I previously wrote to the OBR about collecting data to allow us to see what the Scottish inflation rate was, which it basically refused to do, which was unfortunate. In relation to the fiscal framework review, are you also looking at gathering additional data—have you factored that in at all? If we do not have the data, we do not have sight of the information.

Shona Robison: We are not really at that stage yet. The first thing that we need to do is to agree the scope.

Michelle Thomson: The terms of reference.

Shona Robison: Everything follows on from that, including whether the data sets will be available in the new fiscal framework environment. Clearly, if it is a more ambitious and quite radical review and there are more flexibilities and levers, you would want data sets that are in line with that. However, we are in the foothills of that work at the moment.

Michelle Thomson: My last wee question is about an issue that I have brought up previously. There are quite limiting rules for SNIB in relation to its ability to recycle financial returns from successful investments into new deals. The Economy and Fair Work Committee has already written to the Treasury on that and got a perfunctory response, so we have had to write back. SNIB is another example of where we could try to find ways to stop inhibiting the ability to generate growth in the economy. That matter is not even in your portfolio, but I wonder whether you could comment on it.

Shona Robison: I am not unsympathetic to that point, and we have given SNIB some additional flexibility.

Michelle Thomson: Yes—you have changed some of the Scottish Government rules.

Shona Robison: We should be open to doing more of that, to be honest. In the light of the experience of the operation of organisations such as SNIB, having more flexibility, within reason, is not an unreasonable ask.

Michelle Thomson: Thanks.

Craig Hoy (South Scotland) (Con): Good morning. I want to ask about the Scottish Government's decision to go down the route of issuing bonds as a means of raising resource for capital expenditure. What assessment has the Government made of the value for money for taxpayers in starting a new programme of issuing bonds rather than going down the traditional route of utilising the national loans fund?

Shona Robison: The value-for-money case was thoroughly carried out. It is important to reiterate to the committee that it is not about borrowing more; it is about borrowing better. The tenor durations are more flexible under bonds than they are with the Public Works Loan Board. That is one of the main benefits of issuing bonds. It is about borrowing differently, not more, and with more flexibility. However, let me reassure you that all the value-for-money testing has been done on the programme. We would not have proceeded to this stage if that were not the case.

Craig Hoy: Okay, but some media outlets have projected that going down this route could cost £100 million more over 10 years than it would to borrow through the UK Government. What assessment have you made, through market testing, of the rates of interest and return that potential investors might expect?

Shona Robison: Market testing will continue, because we need to make sure that we launch the bonds at the right time. The global situation, the markets and interest rates all need to be taken into account. You must also offset the benefits and cost benefits of having more flexible repayment periods, and all of that will need to be looked at in the round before the next stage.

We will keep the Parliament updated. We have successfully passed through the key gateways that we set for value-for-money testing. The next stage will be the market conditions. All that will be looked at and we will keep the Parliament fully updated on the next steps.

09:30

Craig Hoy: Do you anticipate when the first bond might be issued?

Shona Robison: It will be in the next parliamentary session, although it will depend on market conditions.

Craig Hoy: How much of what you have committed to the programme so far has been spent on preparatory work?

Shona Robison: The figure exists, so I will write to the committee and update you on that. It is quite a small amount of money compared to the programme. It has been spent on the establishment and consultancy costs. I do not have the figure to hand.

Craig Hoy: I think that it is £0.5 million so far to Ernst & Young, and £50,000 in legal fees.

Shona Robison: I will update you to make sure that the costs that you have had so far are accurate.

Craig Hoy: One of the key areas that has already attracted some attention in the spending review is the ability of NHS territorial and national health boards to deliver efficiency savings. You are projecting efficiency savings of 3 per cent, which is above historic levels. What specific measures will the Scottish Government ask health boards to implement to achieve those savings, bearing in mind the fact that the first round of savings is generally easier to achieve than the second? If the Government is re-elected, what contingency plans will it put in place to ensure that front-line health services do not suffer should savings not be achieved?

Shona Robison: First, I would say that the health boards have a good track record of delivering on efficiency savings. We have passed on all consequentials in full and it is fair to say that most commentators recognise that, within the constraints that we are under, health and social care has had a real-terms uplift of 5.1 per cent across the spending review period. However, health board efficiency and reform plans will have to deliver a minimum of 3 per cent per annum efficiency savings, and they will get to keep those efficiency savings to reinvest. That is important, because it is an incentive to generate the efficiency savings.

I should say that this is not unique to the NHS in Scotland. We are seeing similar challenges in efficiency savings in health services elsewhere in these islands. I think that NHS England is required to make efficiency savings of 4.5 per cent. To be blunt, we need to see a transformation of service delivery and it must be driven by efficiency savings.

The structure of health board delivery is a matter for the next Government, but without doubt there will be changes in the delivery landscape. Then there is the question of the shift in the balance of care. It is absolutely fundamental to the population health framework that more is done in primary care. The efficiencies in the system will have to drive that change, too.

I am not saying that it is easy. Health boards will be challenged and how they deliver will be monitored. They will also have to prioritise funding to the front line, which means that they need to look at some of their back-office functions. We have back-office functions in every one of our 22 health boards, whether it is the territorial boards or the special boards, and that needs to change.

Craig Hoy: It sounds as though you are outsourcing the difficult decisions to them.

Shona Robison: Not at all. The Scottish Government gives a lot of support to boards in their delivery. There are weekly meetings on the reduction of waiting lists and improvement in performance, as you can imagine. We also have financial oversight, rigour, challenge and support for every one of the health boards, but change will have to happen. A lot of work is going on around subnational planning in relation to what can be done where, particularly for planned care. We need to make sure that planned care is being delivered in the right places for those procedures that people might have once or twice in their lifetime. That work is all part of the requirement for boards to ensure that every single pound is spent in the most effective and efficient way.

Craig Hoy: Obviously, the budget and spending review foretells a story where there will be a significant shift in resources away from health boards—and hospitals, more generally—and towards community-based initiatives. Do you as yet have an outline or a breakdown as to how those other health and social care services will be financed? What will the split or the emphasis be between primary care, social care and preventative services? Have you modelled that as of yet?

Shona Robison: The Cabinet Secretary for Health and Social Care has been clear that there needs to be a shift in resources and output from acute to primary care, so that people can get more of their health services more locally. It is about making sure that procedures that can be done in a primary health setting, in a hub, can be done there, rather than someone having to travel to an acute service.

We are already seeing a lot of that; we are not starting from first base. If you think about eye care, for example, a lot of ophthalmology services are now being delivered in the community, rather than people travelling to hospital. A lot of that is done in partnership with specialists within the acute sector. This will be an evolution because of the size and scale of what we are trying to achieve.

Craig Hoy: In relation to ophthalmology, a lot of it is also now being done through the private sector—through Specsavers, for example. Do you concede that point?

Shona Robison: Well, through independent contractors, yes.

Craig Hoy: Through the private sector.

Shona Robison: It is a partnership with specialists, who would refer people to secondary care where concerns are identified. I think that it is a good partnership and I think that independent contractors would see themselves as part of that NHS offer—as part of primary care services and community-based health. They would see themselves as an important delivery partner within that.

Craig Hoy: The spending review includes quite significant reductions in real terms to the capital spending in health and social care over the period. How can we expect improvements to be delivered and productivity to be enhanced without increased investment in facilities, equipment and technology?

Shona Robison: Capital availability is being cut in real terms. Our capital availability is going down and you can only cut the cake according to what size the cake is. In terms of the consequentials from the UK Government, health capital was tiny, from my recollection. That is one of the reasons why we are looking at revenue-based finance for primary care facilities. The UK Government and Wes Streeting are having to do exactly the same, because the health capital allocation to the UK Department of Health and Social Care is very limited. We have to be imaginative about how the new models can be funded.

We have had a huge amount of competing demands for the capital availability. Sometimes, when I am at this committee, I am asked about roads; at other times, I am asked about local government capital or about housing. We have had to ensure that we can provide what we can. The on-going maintenance of the health estate has been a priority and the capital availability that we have is, by and large, being spent in those areas. That is why we need to look at a revenue-based finance model for a new generation of primary care facilities, and that is exactly what is going to happen in NHS England as well.

Craig Hoy: I have two final questions on priorities. The Scottish Government says that growing the economy is one of its priorities, yet funding for enterprise agencies has been cut, in real terms, over the spending review period. How can growing the economy be a priority when the engine of that potential growth has been cut?

Shona Robison: The enterprise agencies are very important, but the Scottish Government's investment in economic growth goes well beyond them. We have £900 million of capital investment in local and regional economies and £480 million in key growth sectors through the enterprise agencies, so we are targeting key growth sectors through those agencies. We have £4.9 billion of investment in housing, which is an investment in the economy, and the infrastructure investment pipeline generally, which is worth £11 billion, is absolutely an investment in the economy. We are targeting key sectors—offshore wind is another major investment area—and we are trying to ensure that the money is spent as smartly as possible. Likewise, we are ensuring that investments made by the Scottish National Investment Bank and through the use of financial transactions all face towards areas of high growth and housing opportunities.

Craig Hoy: In the autumn budget revision for 2025-26, the budget for offshore wind was £137 million, but by 2028-29 it will have been cut to £61.7 million.

Shona Robison: That reflects the pace at which investments can be made. We have made a commitment of £500 million over five years, but there will not be an even split each year. We want that sector to grow, but its growth has not been consistent. I do not think that anyone can criticise the Scottish Government for not investing in offshore wind. We have, and we will continue to do so.

Craig Hoy: In a similar vein, in relation to priorities—we will not relitigate the argument about welfare spending—you have said that growing the workforce, and therefore the tax base, is one of the critical ways in which the Scottish Government can increase economic performance, raise tax and alleviate some of the pressures on public spending. What should we read into the fact that the employability budget over this period is flat in cash terms?

Shona Robison: Employability funding is still significant.

Craig Hoy: It is clearly no longer a priority.

Shona Robison: It is a priority. In addition to the employability funding, we have new funding exactly in that space, which will go to colleges to support the enhancement of their offers to the people they can bring in. That is part of the wider employability investment. Colleges are getting £8 million—it is a new fund that will be very much about helping those furthest from the labour market into work, particularly those who may find the college route less intimidating than other employability programmes. That idea came directly from the college sector, which had looked at what it could do to enhance its offer and improve the scope for getting people back into work. It is a good investment and I am looking forward to seeing how it develops over the next few years.

John Mason (Glasgow Shettleston) (Ind): On public sector pay, there is the whole question of the 9 per cent uplift target. Quite a lot of that has gone in the first two years. What are your expectations around that?

09:45

Shona Robison: In most sectors, we have two-year deals, which is a good thing because they create efficiency, effectiveness and time for discussions about things other than pay. Those deals are very important in bringing some stability to our public services and mean that we do not have to be constantly in negotiation around pay.

As for the third year of the public sector pay settlement—2027-28—I have said that it should form part of the budget for 2027-28. We need to see where inflation goes. It was going down, but, because of the global situation, we now have a question mark over whether inflation will continue to reduce. That clearly drives the pay position and pay bargaining. My overall comment would be that pay increases for 2027-28 will need to be extremely modest, given the financial pressures for that year in particular, although, again, there could be multiyear deals that come off the back of the two years that have already been agreed. The more multiyear pay deals that we can get into, the better, because they remove some of the uncertainty for our service delivery partners.

John Mason: I presume that, if inflation looks unpredictable, the trade unions and others will not be keen on multiyear settlements, because they will not know—

Shona Robison: However, they see the benefits of them, because they spend an inordinate amount of time in negotiations, too. They can also secure things beyond pay as part of multiyear deals, which quite often include other areas of transformation and reform, so they can be a mutually beneficial tool. There is an inextricable link between headcount and pay. I have said that before, but it is just a fact that has to be borne in mind, and the unions are well aware of that.

John Mason: That takes me on to another question. Can we expect efficiency savings to be evenly distributed across the board? We have an increasingly elderly population, so we need more people on the social care side rather than fewer. The police and fire services had a major reform, which I supported, and that has been good. Their argument might be that they have had a major reform, so it is now up to other sectors to have major reforms.

Shona Robison: It is their argument, absolutely. Every organisation still has areas that it can continue to transform, but I recognise the work that the police and fire services have already done. That has been a standout transformation and it was very ambitious. Will it be the same everywhere? No, it cannot be, because there will still be areas where that is not possible.

You touched on the demographic challenges of social care. It would be crazy to reduce that front-line workforce, would it not? We could not do that in the face of those demographic challenges, so the savings will not be evenly spread. Of course, we have already said that front-line workforces need to be prioritised, which means that back-office supports and corporate functions will need to be delivered differently. We need to look at the use of automation and technology for some of that, so that roles can be changed.

All of that work is under way. It will not be the same everywhere, and the savings will not be evenly distributed. As is ever the case in any organisation, there will be some who are first out of the traps and getting on with it, and there will be some who take a bit longer to get to where they need to get to.

John Mason: You used the word “front-line” twice, and the convener mentioned it before. Does that mean that all the accountants will lose their jobs?

Shona Robison: I am a big fan of accountants, but do we need as many? I do not want to pick on accountants. I have used health as an example, so let me return to that. We have 14 territorial boards and eight special boards—although I think that the number might be going down to seven—and they all have their own corporate functions. That situation has grown up over many years and is a result of the way in which public services develop—that is what they do. Indeed, many of them have taken on new responsibilities. All of that is understood, but the way in which the support services are delivered needs to change. That is a big area of efficiency and transformation.

That is not to say that those roles are not important. They are important, and people in front-line services could not do their job without support services. I do not want to imply in any way that those jobs are not important, but the functions can be delivered differently. We can use technology to support the delivery of those functions in a way that perhaps would have been more challenging 10 years ago. That is being done in many other sectors, and we need to harness that.

John Mason: The committee is very keen on zero-based budgeting, although I am not quite as committed to it as other committee members. I understand that it is quite a resource-intensive process, and you need accountants and other people to do it. If you are going to strip everything right back and look at everything again, that is a costly process. It takes resources, does it not?

Shona Robison: It consumes most of the civil service in the Scottish Government for large parts of the year. There is a need to open up the bonnet and look at everything underneath to see what is working, what is not, what needs to change and what we can afford. That happens on an on-going basis.

A relatively new exercise that we have done is budget tagging, which enables us to track spend in relation to the key priorities a bit more effectively. Whether we are doing zero-based budgeting or following the routine budgetary processes, every time, we open the bonnet, unpack what is there and challenge it. I have sat in meetings going through budget lines and asking, "What actually is that and why has it been there for 10 years?" The answers are quite interesting sometimes.

John Mason: The problem that I have with zero-based budgeting is that we have certain major assets, such as hospitals, which I presume we will carry on with, so there is no point in taking everything back to zero. However, there are some areas that we can look at more than others.

Shona Robison: I touched on that in the exchange that I had with Craig Hoy. We are not going to spend the £22.5 billion in health and social care on something else. However, we could make pretty radical changes to what we spend that money on within the health and social care ambit. For me, that is probably a more productive conversation, because Parliament would be up in arms if anybody suggested spending all that money on something else. That would not be realistic, given the demographics and the demands on health and social care. I would turn the question on its head and consider how that money is spent within those services—that is where I would focus my attention.

John Mason: You have already been asked about the MIM and the idea of revenue-based investment. I was in Glasgow City Council when we did the schools PFI programme. That was presented as the only game in town, but, when we look back on it, we see that it has been incredibly expensive, although, as you have pointed out, we got the schools quicker. If we had used traditional funding, we would have had to wait longer for the schools. I accept that there is a challenge in that, but I remain sceptical and think that we are going to pay over the odds.

In a way, all these things are just devices to get round the fixed borrowing limits. I do not understand why Westminster sets those limits when, in effect, it can borrow as much as it wants.

Shona Robison: There were PFI deals that were absolutely dreadful for the public purse and should never have been agreed to—let us agree on that. Lessons have been learned from some of the negative experiences and costs, and I think that the public sector is now much better at negotiating. It was not a good negotiator in some of those deals. Some of the new revenue finance models are better value for the public purse and they deliver better social benefits. We have regularly spoken to the Welsh Government about the mutual investment model, much of which was based on our non-profit-distributing work.

We probably would not use those models if our borrowing powers were not constrained. The question is then about how we can pivot and save resources to secure better outcomes for patients by building primary care hubs if we do not currently have the capital to do that. We would have to say, "I can't put £4.1 billion into housing, because I'm going to have to spend the money elsewhere." We have a range of competing priorities, all of which are absolutely essential. If we regard doing things and delivering things differently as essential for the population health framework, there must be capital investment. The capital departmental expenditure limit is just not available at the moment, but I would like that to change. We bang on about our capital limitations to the UK Government all the time, but, in the absence of any movement on that, the only way to increase our resources is through revenue finance and by getting the best deals that we can. We can get better deals through economies of scale and through something such as a primary care programme that extracts the best deal, although those deals will still have to meet the value-for-money tests, otherwise they will not get off first base. I can assure you that those tests are robust, which is sometimes a little frustrating.

John Mason: I know. It is easy to look back at PFI and say what a bad deal it was, but, at the time, we thought that we were getting a better deal. Glasgow followed Falkirk, so we tried to learn from its mistakes.

Shona Robison: I will be honest and say that I am not sure how some of those deals meet the value-for-money tests that are in front of me now. I do not know whether the rulebooks have changed since then, because I was not around when those deals were being done.

John Mason: I will not spend too long on this, but the accounting rules have changed. PFI was a device to get around the borrowing limits. The rules have now changed and we have a whole range of different funding models. I accept that those models allow us to get the asset more quickly, but it feels to me as though future generations will be paying more for the asset than they would if we could borrow the money for it.

Shona Robison: You will have to make the asset work for you, so that it saves money elsewhere in the system because services will be

delivered in a different way. Those things will have a bearing on decisions that—I hasten to add—have not yet been made.

The Convener: John Mason may recall that I was a councillor six years before him and we opposed PFI or PPP from the start. There was none of this, "Oh, we realised years later that it wisnae great"—it was opposed from the start by the SNP, Labour and the Liberal Democrats. Certainly, the SNP opposed it throughout. That is historical fact.

Liz Smith (Mid Scotland and Fife) (Con): Cabinet secretary, in response to the convener, you said that you had a suspicion that the next Scottish Government will have to be bolder. What did you mean?

Shona Robison: I think that there is an appetite to be bold.

Liz Smith: In what respect?

Shona Robison: I think that there is a realisation that carrying on with the structures and landscape that we have is not going to be sustainable or optimal. I do not think that that outlook will be a peculiar to the SNP—I suspect that the manifestos of all the parties will be in that transformation space. The proposals might look different, but I think that there will be an appetite to be bold, which is good, because that should mean that the scope of collective debates on such issues in the next parliamentary session is not as small when it comes to considering change.

Liz Smith: Is that a recognition that the current Scottish Government has not been able to afford all the priorities that it has set out and that some of the difficult choices that have, undoubtedly, been made have not been enough to ensure fiscal sustainability?

Shona Robison: It is a recognition that, over the next 10 to 20 years, any Government will need to grasp issues relating to the way in which we deliver services and what the landscape should look like. For example, demographic challenges are coming down the line, so our existing structures and landscape will need to change to meet those challenges, even if everything else stands still.

I do not want to open a can of worms and debate this issue for the next two hours, but the Government brought forward plans to do things differently through the creation of a national care service. I am not saying that those plans were perfect, but there was a knee-jerk reaction to them that went well beyond consideration of whether the details were imperfect. We have reached a situation at the tail end of this parliamentary session in which the chances of change happening are very limited. I hope that, in the next parliamentary session, the Parliament collectively—not just the Government—will see things a bit differently and will not try to stop things happening just because it can.

Liz Smith: The Scottish Fiscal Commission has been warning about the lack of fiscal sustainability for a long time, not just in recent years. The current Government might need to reflect that it has not been bold enough in taking more difficult decisions to ensure that our finances are in a better place. Do you accept that?

Shona Robison: All Governments could be bolder, but they have to be able to get things through the Parliament. I am afraid to say that, although we could have brought forward 101 bold plans, I am not sure how many of them would have got through the Parliament. I will leave that as a question mark, but I suspect that very few would have got through, because I do not think that there is the will to engage in boldness. All that I am saying is that there is an opportunity for that to change and I hope that it will.

Incidentally, we have laid the groundwork for such change. Our efficiency plans set out that transformation must happen. That includes a reduction in head count. Even just saying that and setting it out is quite bold, and that has by no means been universally welcomed on the staff side of things.

Our plans set out our intent that the public sector must change. What needs to come next is the detail of what such change will look like in relation to the landscape, different roles and how our public services look and feel. That is the next step, but the groundwork has been done. A lot of work has gone into that.

Liz Smith: We probably could debate that for another couple of hours, but I do not want to do that.

My next question relates to a comment that you made to the convener when he asked you about the social value that you get from public money when making your spending plans. Do you feel that the evidence behind the choices that you make is sufficiently available to the Parliament and, more important, to the public, so that we can understand why the Government has selected specific priorities and not chosen to do other things that many people would like it to do? Is that evidence sufficiently strong?

Shona Robison: You asked me that in the chamber, and—

Liz Smith: I did not get an answer.

Shona Robison: To be fair, I think that I said that you made a reasonable point, so let me say it again: you make a reasonable point.

Liz Smith: Yes, but what is the answer?

Shona Robison: The answer is that there is always more work that can be done to outline why decisions have been made.

We have done a lot to outline why the investments that we are making in social security are important in enabling us to meet the statutory targets on child poverty. The child poverty delivery plan lays out the detail of that. Anyone who looks at the child poverty delivery plan will understand why the funding is going to social security, because it shows a trajectory towards meeting the statutory child poverty targets.

Is that level of detail laid out everywhere? Probably not. There is always scope for improvement in that regard. We need to say to people, "We're making this investment here because it's fundamental to economic growth in that region of Scotland. Here's the evidence for why we think that that is the case." There is always more that we can do to explain and justify why we are making investments.

I have referred to our major investment in housing a couple of times. We have articulated the rationale for that, which is that it is not only a major investment to help to tackle poverty, but an economic investment. That is why it was right to make that capital investment in housing. That investment has knock-on effects elsewhere—we have talked about the knock-on effects for health.

The Government of the day should justify its decisions. If more information can be set out, I would not disagree that it should be.

Liz Smith: When it comes to big infrastructure projects that could make a substantial difference to the lives of people in Scotland and, most importantly, stimulate economic growth, we are in a very difficult situation, because we cannot possibly do all the infrastructure projects that we would like to do.

Shona Robison: Indeed.

Liz Smith: Therefore, when we are talking about billions of pounds of investment, it is vital that the evidence is put before the public and before Parliament so that we can ascertain whether we will get the social value and the value for money that you mentioned in your response to the convener. Has enough evidence been provided to back up the decisions and choices that have been made?

Shona Robison: I think that we have made improvements, but improvements can always be built on, and I am sure that there are ways in which we can do that. After every fiscal event, we always reflect on what people—whether external commentators or this committee—have said. Certainly in relation to the budgets that I have been involved in, we have always listened to what the committee has said. We might not have completely satisfied all the asks that the committee has made, but they have not been ignored. We have made changes and improvements, and that will be the case in relation to the current set of fiscal documents, too. We will look at what has been said and consider whether there is scope to make further improvements.

Liz Smith: So you will leave a note for your successor on those matters.

Shona Robison: Maybe just a small one.

The Convener: Not of the Liam Byrne variety.

Michael Marra (North East Scotland) (Lab): Good morning, cabinet secretary. Following the spring statement, there will be an additional £542 million of revenue available for 2026-27. As you have set out, the capital increase is much smaller. Will that additional money help to avoid an emergency budget? The Institute for Fiscal Studies and the Fraser of Allander Institute have both predicted that an emergency budget will be necessary. I imagine that you would take umbrage with their predictions. Will that money help to avoid such a scenario?

Shona Robison: We will not need to have an emergency budget, regardless of the spring statement changes, because we have set out our plans and the expected efficiency savings. Every cabinet secretary knows the envelopes that they are working within. I am not saying that it is easy. We have a monthly monitoring process. I report regularly to the Cabinet on the path to balance to ensure that we are where we need to be.

It is worth recalling why we had emergency statements in the past. We had emergency statements because, under the previous UK Government, we did not find out what funding was available to us until nearly the end of the year. At the point at which those emergency statements were made, we did not know how much money was coming. We could not just say, "Hmm, let's wait and see," because we would have been too far into the rest of the year.

One of the good things that the UK Labour Government did when it came into office—and I have said this before, and I will say it again—was to have as much certainty as possible at the start of the financial year, which enables us to plan. That is a good thing. We have planned on the basis of what we know, so there is no requirement for emergency budgets, unless something catastrophic happens and we have another global pandemic, or we have something else that knocks every Government's finances off course, but we are not predicting that. Yes, there will be impacts, but there will be no requirement for any emergency budget.

It will be for the next Government to set out how the spring statement resources are utilised, but it would be helpful, potentially, to unwind some of the ScotWind allocations—if that is what the next Government chooses to do.

Michael Marra: I will maybe come back to that.

You will have been concerned by the analysis by the Fraser of Allander Institute and the Institute for Fiscal Studies. We regularly receive commentary and evidence from them and this committee rightly takes their opinions very seriously. They are identifying what they are calling "heroic assumptions" in terms of efficiency savings in parts of the public sector and real concerns about pay, which has obviously been outlined already. What have you taken from their analysis when you have looked at it and reflected on it?

Shona Robison: As I said earlier, I always reflect on the commentary, whether it is from this committee or external stakeholders, but I also look at the plans that we have set out. I spoke earlier about the health board efficiency plans. The health boards have got a track record of delivering to that level for many years, and, of course, they get to reinvest those savings. There is nothing within the plans that we have set out that suggests to me that we are not going to be able to deliver what needs to be delivered. It is not a walk in the park. It will require change. It will require the efficiency plans and the headcount reductions to happen and to happen in a managed way, and we are holding all parts of the public sector to account for all of that.

Michael Marra: You mentioned the ScotWind money; £50 million was allocated from ScotWind in 2026-27, so it sounds as though you imagine that that money would then be put back in.

Shona Robison: I can imagine it but I am not going to be here, so it will be for the next Government to make those decisions.

Michael Marra: That is a fair point. I hear that. However, I want to get your observations on the use of ScotWind generally. It strikes me that this has been quite a useful thing for the Scottish Government, as it essentially means that you have had a second cash reserve. I wonder how replicable some of that is, because it was essentially a windfall payment that created the situation; it was constrained by the politics, in essence. There is always pressure for you to run to the full extent of your actual reserve, whereas, because this second reserve has a different nominal purpose, it allows you to then draw it back and say that there is an imperative to pay it back in.

When we are reflecting on the conduct of the fiscal framework and the ability to do something about it, this has proven to be something that is quite useful for the Scottish Government in managing its finances, has it not?

Shona Robison: It is the only flexible resource that we have, which says a lot about the fiscal framework. That is why it is so important. We have been able to utilise ScotWind, and I was very clear that I did not want to have to deploy the ScotWind resources that we had for 2027-28, but that, in the absence of any other choice, it might need to be done. However, if there are now choices that can be made that unwind that, that flexible resource will have been extremely helpful in relation to smoothing out the peaks and troughs when going from one budget to another.

Leaving that aside, on the ScotWind allocations that have been made and are being made, many of those are going to exactly what ScotWind was intended for. Look at the funding that is going into just transition, nature restoration, interisland connectivity, heat in buildings, woodland creation and offshore wind, for example—people would say that those are the right types of investments. It is a flexible resource and, in arguing for fiscal flexibility through the framework, we could point to the importance of that flexibility and the difference that it has made.

10:15

Michael Marra: What purpose did you seek to achieve through the Scottish spending review? What was the objective that you set for your Government?

Shona Robison: The spending review was an opportunity to provide a line of sight to the allocation of the resources that we had in front of us at that point. It was to give a sense of the funding outlook, with the caveat that, as everybody across the public sector understands, that outlook is only true for the point at which it is published, because the information changes. Lo and behold, it changed straight away. It was an opportunity to give a sense of the direction of travel and of the outlook. However, such an outlook will change and has changed already.

Michael Marra: So, it was more about giving sight of projected figures rather than indicating the Government's intent.

Shona Robison: Well—

Michael Marra: I will continue if I may, cabinet secretary. Some of the language that you have used this morning was about the need for intent to change, including during the spending review period. You are looking for more boldness at the end of your Government's term, and you are setting that out, but it is for future Governments. However, the spending review period goes into the next Parliament, and I would have thought that the time for a Government to say "This is what we

intend to do and how we want to change the shape of what we do as a country" is when you set out those big numbers as your projections for the future, so that institutions can plan appropriately to do those things. Is it fair to say that institutions still do not really have sight of your plan for change and that the spending review was a missed opportunity?

Shona Robison: The funding envelopes, by their very nature, are constrained by the availability of funding. Funding growth is very limited. The funding outlook is the funding outlook, and we are not able to change it, so it is a case of what goes where.

I have already referred to the uplift in health and social care over that period. I have been honest about health having benefited above and beyond the resource consequentials that we said we would pass on. The bigger question is what that resource will be spent on. As I said earlier, we are not going to say, "Right, we're going to change that commitment to uplift the health and social care spend, because we are going to spend it on something else." It is more about what that spend will deliver over the course of the spending review; it will have to deliver and be spent differently from how it delivers and is spent at the moment. The same could be said for all parts of the public sector, but health is such a big part of the spend.

Michael Marra: I will stick with health. Last week, the Institute for Fiscal Studies published a report entitled "Public service spending and performance in Scotland", which pointed out that health spend is 2 per cent higher in Scotland than in England, down from 4 per cent higher in 2019-20 and 11 per cent higher in 2010-11. The spending gap has shrunk since 2010-11 as a result of the decisions that your Government has taken. To me, that goes back to the question of purpose. You are right to highlight that the spending review shows the allocation of the money that is available, which is set out in the broader spending review. However, given that we are seeing outcomes such as a real lack of productivity in our Scottish health service and neighbourhoods in Scotland having lower life expectancy than equivalent areas in England, is there not a lack of purpose in your spending review? What do you want to change? What does the Government want to do and what direction do you think should be taken?

Shona Robison: First, with regard to the inputs, we have delivered above and beyond the resource consequentials to health for as many years as I can remember. That is a fact, but your question is about what is delivered for that. Albeit that there was additional money, over the past eight or nine months, there has been a major improvement in productivity and in the way in which that productivity has been delivered, with extra appointments and procedures and people being seen more quickly. The challenge will be to sustain that improvement, and that is what health boards are being tasked to do, so subnational planning is a key part of that. It is not about putting money in and then it just goes. The productivity has to be sustained and that is about what is done where. We must make sure that we utilise sites to the best of their ability and have more elective surgery sites that are away from the emergency care interruption that we get in some of our major acute hospitals. All of that is subnational planning and looking at the map. It is not about health boards doing their own bit, but about looking at the whole map and doing that subnational planning. That will be absolutely critical to sustaining increased productivity.

It is also worth putting on the record that the Office for National Statistics has said that there are key differences in the way that things are measured, so some of the headline statistics for England, Scotland and Wales are not directly comparable. Nevertheless, your point about productivity is right. It now needs to be sustained, and that is the challenge. The First Minister has been absolutely clear with our health service managers that that is the expectation.

Michael Marra: The same report says that hospital activity is still below pre-pandemic levels, despite the fact that there are 14 per cent more staff. I think that that makes your point, cabinet secretary.

Shona Robison: Yes, but there is variation. In some parts, activity is much higher.

Michael Marra: Of course—it is a global figure.

Last week, we took evidence from the Scottish Funding Council, which only has level 2 indications in the Scottish spending review. The SFC says that that causes it very significant problems. Why is it only getting level 2 figures?

Shona Robison: I touched on this in my opening remarks. We have set out that level of detail, given the uncertainties over the spending review period, apart from in the major areas of spend—health, social security and local government. There is probably scope in the future to go further than that, but that level of detail compares well with the departmental levels that are provided in the UK Government budget. We have given a level of detail that the UK Government has not, but the lower the level of detail, the more constrained we are in future choices.

Michael Marra: For our universities and colleges, that is a particular problem, because they are far more reliant on direct Scottish Government funding than their equivalents elsewhere.

Shona Robison: I understand that.

Michael Marra: With level 2 figures, there is no way for the Scottish Funding Council to differentiate how much money the Government has set aside for colleges from how much it has set aside for universities. We have a situation in which our universities, collectively, are shedding thousands of jobs across Scotland, yet they have no sight of what that allocation is going to be. Could you not seek to remedy that?

Shona Robison: I will certainly take that away and feed back to education colleagues, but there have been a lot of public statements about the prioritisation of the college sector and how much the uplift is in relation to the settlement. Yes—colleges did get a better settlement than universities on this particular occasion. That was broadly welcomed because of the role that they play, but there is also a need for transformation in the college sector. We touched earlier on who does what, where. That also impacts on the universities. We have previously discussed the issue of institutions all fishing in the same pond for the same people. Is there a need for our institutions to play to their strengths a bit more, rather than trying to do everything? Maybe that discussion is for another day.

Michael Marra: At our meeting on 24 February, a colleague from the Scottish Funding Council said:

"At the moment, we have only level 2 figures for future years, and we cannot issue multiyear allocations to institutions on that basis. We would very much welcome greater certainty and clarity on multiyear funding."—[*Official Report*, *Finance and Public Administration Committee*, 24 February 2026; c 14.]

Shona Robison: I will reflect on that, and I could certainly pass back those comments to the education secretary.

Michael Marra: My last question is on the infrastructure pipeline. Last week, a witness from the Construction Industry Training Board told us that the organisation was critical of the fact that the current arrangements mean that it is unable to plan for a proper pipeline. It said that the horizon that can be seen is insufficient to allow it to deal with the skills issues. That runs on from what we have just talked about in relation to colleges. Is the horizon that you have set out with regard to people having sight of the pipeline too short to allow our private and public sector institutions to plan for the future?

Shona Robison: Do you mean the timeframe that the pipeline is operating within?

Michael Marra: The view of the Construction Industry Training Board is that it does not have sight of enough projects. It needs a 10-year view.

Shona Robison: I get that.

Michael Marra: The public sector can take a 10-year view, but the private sector is much more ad hoc and reactive.

Shona Robison: I understand the point that the board is making and I am not unsympathetic to it. The difficulty is that we have to, as best we can, align the infrastructure investment pipeline with the capital availability that we know we have. That constrains how long an outlook we can have. We could set out a pipeline that is based on speculation rather than what we think the capital envelope will be, as that envelope will probably change. We cannot set out projects and have work done on them if they have absolutely no possibility of ever seeing the light of day.

It is a bit of a quandary, because there are benefits in setting out that longer timeframe. However, if you only know the capital availability up to a certain point, what would we be basing that timeframe on? I acknowledge that there will be a tension because of that, for sure.

Michael Marra: Thank you.

The Convener: At the most recent Scottish Parliament information centre seminar that I spoke at, there was a discussion of front-line services. I was asked what front-line services are, and I said that the public would consider no one in that room to have a front-line service job—indeed, we could say the same thing about this room today.

Is "front-line service" not an unhelpful term to use? Does the Scottish Government have a definition of front-line services? People think of nurses and doctors as being front-line workers but, of course, they could not work effectively without everybody from porters and pharmacists to human resources professionals and the maintenance teams that back them up.

Shona Robison: There is a working definition of front-line staff for the purposes of understanding the shape of corporate costs across the public sector, but there will always be grey areas.

The working definition determines that front-line staff are those who, as any part of their role or for any amount of time, are in contact with the public or external bodies and are essential for delivering a public service related to the preservation of human life, health, public safety, public order, the law, transportation, food supply or property. There are long lists of examples of staff who are and who are not front-line workers—I will not talk you through them, because they are obvious. There will always be grey areas, but that definition is a guideline.

We require each organisation, in collaboration with other bodies that are similar, to think about

how it can provide those support functions in a different way. The obvious example—I will come back to it for a third time—concerns the fact that we have 22 health organisations, all on similar systems and all with similar support functions behind them, and there are obvious conclusions to be drawn with regard to how things could be done differently in that space. There are other bodies that have similar roles that could share some of their support functions—and, indeed, some bodies that have quite different roles that could do likewise. We are trying to ensure that we create a culture of change that takes on a life of its own.

10:30

The Convener: I have always been an advocate of delayering and decluttering the Scottish public sector landscape. It is, to me, nonsensical as it stands; it is like a tree that has grown branches and all the rest of it over many years. De-bureaucratisation, which was very effective in, for example, the police, is really important and something that we should press forward with. In saying that, I am not saying that those who sit behind the front-line services do not play a valuable role; indeed, we should not forget that, given that one cannot work effectively without the other.

Something that is not done enough is the sharing of best practice. We have talked about productivity; as I mentioned to the Cabinet Secretary for Health and Social Care in the chamber, I think that, if we are looking at productivity, surely we should be looking at those areas that deliver the best productivity and asking why what they do cannot be mirrored in other areas of the health service, in another part of Scotland or in a local government department elsewhere in Scotland.

Do you not agree that there needs to be more reform in order to do that? Incidentally, this is something that I mentioned in the first parliamentary session, which ran from 1999 to 2003, and we are still in the same position. There is still a real issue about sharing best practice. People have wonderful ideas but, for some bizarre reason, they do not really want others to implement them, or so it seems to me. Can the Government do more to ensure that, where things are working exceptionally well, others are encouraged to mirror that best practice?

Shona Robison: First, I want to agree with your point that support staff play a valuable role. We are not saying that they do not—the issue is how those valuable roles will be delivered in the future.

The Convener: Indeed.

Shona Robison: As for best practice, I absolutely agree. “Once for Scotland” is still very much a mantra in the health service, but it needs to deliver that. There is a bit of what I would call a “Not invented here” view, not just in the health service but in other parts of the public service—you see it in local government, too. It makes you think, “Why?” If something demonstrably works, there will have to be a pretty good reason for not implementing it.

It might be that something that works in a densely populated part of Scotland might not have direct applicability to a very remote or rural part of Scotland. That is understood. As a general rule, however, if something works, it should work everywhere, and we are taking that approach. You would have to have a pretty good reason for not implementing change that demonstrably benefits services, and work is on-going in that respect. We do not always hear about it, but a lot of innovation is indeed happening, and that innovation should be harnessed.

A reflection that I would make, having spoken to those who deliver services directly—not just the managers who manage them—is that they tell you all the time that they can see ways of making changes. Those on the front line need to be listened to.

The Convener: That is exactly the point that I wanted to finish on. I have previously mentioned at committee that, when I worked in pharmaceuticals, the company had a staff suggestion scheme. They were asking, “How can you save us money?” Months later, nobody had made any suggestions. I said, “Why don’t you give people an incentive? Five per cent of whatever is saved goes to the individual who makes the suggestion that you take forward.” They said, “Aye, okay, we’ll try that. We’ll give maybe 5 per cent of whatever is saved in the first year to the person who made the suggestion.” They were absolutely inundated with suggestions, because it became a really personal thing for people.

You might think that people with a public sector ethos should be making suggestions anyway—and I am sure that they do—but I think that, if you were to incentivise people and say, “Look, you’ve been working in this department for 10 years or whatever. If you can come up with ideas that will allow us to deliver the service more efficiently and more effectively and which save us money, we will reward you with a bonus of 5 per cent of that in the first year”, there would be a lot of suggestions, a lot of good ideas and a lot of savings. Everybody—certainly the people who made the suggestions in those departments and the people who received the services—would benefit. Surely that sort of thing should be piloted, even if you did not want to roll it out completely. I would also say that, when it comes to innovation, boldness and imagination, groupthink and caution are still two big watchwords

that we have to work against in the public sector in Scotland.

Do you have any final points that you wish to make, cabinet secretary, before I say how wonderful you are?

Shona Robison: I do not think so, other than to say that this will be my last appearance. It has been challenging sometimes, but I think that each session with the committee has always been a cause for reflection and thought. I welcome, and have very much appreciated, the committee's mainly—nearly always—constructive engagement.

The Convener: Thank you very much. As you said, this is your last session, so it is a bit of an end of an era. After all, you have been serving Scotland in this Parliament for 27 years, many of them in senior Cabinet posts. I wish you all the very best for your future endeavours, Shona. You have been very generous in sharing your detailed answers with us in so many evidence sessions and over so many years, and I am sure that we will miss you more than you will miss us. [*Laughter*.]

Shona Robison: Thank you.

The Convener: I think that Liz Smith has a bottle of champagne and a bouquet of flowers. [*Interruption*.] Oh, she forgot them anyway—never mind.

We will have a five-minute break and there will be a changeover of witnesses.

10:35

Meeting suspended.

10:41

On resuming—

Public Administration in the Scottish Government

The Convener: We will get back under way now, because we are over our time—apologies to the permanent secretary and his officials.

The second item on our agenda is an evidence session with Joe Griffin, the permanent secretary to the Scottish Government, on issues relating to public administration in the Government. Mr Griffin is joined by Scottish Government officials Lesley Fraser, director general corporate, and—once again this morning—Richard McCallum, director of public spending. I welcome you all to the meeting, and I invite Mr Griffin to make a short opening statement. Good morning, Mr Griffin.

Joe Griffin (Scottish Government): Good morning. Thank you very much for the opportunity to engage with the committee to discuss matters relating to public administration. As I approach my first full year in the role and, more importantly, the end of the current parliamentary session, there are a few key areas that I would like to highlight.

My executive team and I remain strongly focused on reforming our public services and delivering effectively for people and communities around the country. As a civil service, we work always in the service of Scotland. I am grateful to the exceptional civil servants I see every day, who work together and with partners to improve lives.

However, we must embrace change. The Scottish Government must lead the way on public service reform by working smarter, embracing innovation and removing duplication in order to build a more sustainable, high-quality public sector.

We are working to reduce our workforce over the years to 2030, responding to operating cost reductions and taking the opportunity to set longer-term strategy to shape our organisation for the future. We need a culture that is focused relentlessly on getting things done and on working as a team across boundaries. We need to innovate in a digital age and harness the best of what is available in pursuit of improved outcomes. We need to play to our strengths, recognising that what is most effective may sometimes be hidden in plain sight.

At an executive team level, I have reduced the number of directors general and have brought in new expertise and experience to serve us well in the period ahead, ensuring the highest standards of governance, accountability, financial management and transparency. We meet regularly, as a senior team and with the Cabinet,

to drive delivery in line with the Government's programme.

The scale of the fiscal challenge is clear, and action is essential to address the projected gaps of £2.6 billion in resource funding and £2.1 billion in capital funding by 2029-30. It is vital that we take a long-term view. Last year, the Government published its medium-term financial strategy, its first fiscal sustainability delivery plan and the public service reform strategy, providing a clear framework for the changes that are required across the public sector, including in relation to workforce, health and social care reform, social security, tax and growth.

We are reforming the national performance framework, setting the vision for the kind of Scotland that we would like to see and providing the direction for better public services. Wider engagement on the proposals is under way up to the pre-election period, and it will then be for the next Cabinet to agree it and secure buy-in from the new Parliament. How the national performance framework is put into action is critical.

The civil service is preparing well for the Scottish Parliament election in May. Pre-election access for Opposition parties is well under way. This is an important moment in our democratic process, and we stand ready to support Government formation and to provide strong, strategic advice to the incoming Administration, to enable it to deliver its policy priorities in what will continue to be a tough fiscal environment.

I am committed to openness and transparency, and we continue to work hard to enable democratic scrutiny and sustain strong performance across freedom of information requests amid significantly rising volumes.

I would like to take this opportunity, as this session of Parliament draws to a close, to put on record my thanks to the committee for its valuable and varied body of work, ranging from the cost-effectiveness of public inquiries to the national performance framework to detailed budget scrutiny and effective Scottish Government decision making, all of which will continue to inform good government in Scotland in the years ahead.

I look forward to your questions and welcome the committee's scrutiny.

10:45

The Convener: Thank you for those kind comments and, indeed, for your opening statement, which was very helpful.

When you were previously at committee, nine months ago, you were asked about the Scottish Government's plans to reduce the civil service workforce, and you said that you did not have a figure for its optimal size. You had been in post only a relatively short time, so, nine months later, I wonder whether you now have an optimal size for the civil service.

Joe Griffin: We have a target that ministers have announced for us collectively, as part of the public service reform initiative: a 20 per cent reduction in full-time-equivalent headcount by 2030. It will be important to optimise our ability to work effectively as an organisation of that size by considering a detailed range of matters, including the scale and scope of the programme that we are being asked to deliver, and to play in other aspects around improvement, such as how we use digital technology and how we think about management layers and other factors. I can speak more to those matters as the morning unfolds.

The Convener: That is not quite the same as the optimal size. As you will appreciate, that is essentially the Government saying that it wants a 20 per cent reduction. Do you have a view on what the optimal size is? If I assume that you achieve the target, we could be in a situation in which the Government of the day—whatever its colour—says, "You've achieved a 20 per cent reduction over the past five years, so maybe we should look at a reduction of X percentage over the next five years," or whatever the target happens to be. Is there a size of workforce at which you think that you can optimise delivery of the services that you provide for us all?

Joe Griffin: I have reflected a fair bit on our exchanges the last time, and I appreciate that I was reluctant to give a figure as an abstract proposition. Having reflected on that, I am still a little reluctant to do so, because I feel that a lot of variables are in play. It depends on the programme that you are being asked to deliver, fundamentally. Since the onset of devolution, the picture has been dynamic, with more powers coming into the Scottish Government and, in the past few years, a lot of volatility in terms of public policy.

If you were to really put me on the spot—

The Convener: I certainly intend to.

Joe Griffin: I appreciate that that goes with the territory, convener.

If I look at the general size of the civil service before the Covid pandemic, for example, that feels like a reasonable figure to aim for. However, it is still too abstract a proposition for me. I would want to relate it to the programme that we are being asked to deliver.

The Convener: That is a really fair response, because things are changing all the time. No one expects you to give a figure of 7,922 or whatever it

happens to be. However, I am looking for parameters.

If we cannot have an optimal figure, as there may be changes as things progress and other things happen—"Events, dear boy, events"—what is the minimum number that the civil service needs in order to function? Is that another way of looking at it, assuming that where we are is broadly where we stay in terms of the delivery of policy and priorities?

Joe Griffin: Again, what has driven growth in recent years—and over the devolution period—is a combination of additional powers coming into the Government and a degree of crisis response. As for where we are now, we also recognise that, if you really want to restrict recruitment, you may need to take some quite hard-edged measures. I can speak more about that as the morning unfolds. We have just announced a recruitment freeze, for example, which, it occurs to me, is something that is necessary at this time.

Setting aside the sense of reactivity and volatility that we have, we reached a point of maturity around the time of Covid, with the addition of new powers from the Smith commission and the Scotland Act 2016, for example. As I said, that probably feels like a minimum viable product along the lines that you are suggesting. I would not want to suggest that this is a scientific approach, but I am trying to be as helpful as I can be.

The Convener: I am struggling to get numbers here. Let us just change tack a little bit.

The recruitment freeze seems to go from one extreme to the other. Surely there are specialists within your team who might decide to leave for whatever reason—they might become unwell and have to leave, or whatever. If you have a recruitment freeze, is that not a bit extreme? There might be occasions when you simply need to replace certain individuals. I am looking at Lesley Fraser and Richard McCallum, on either side of you, for example. I am sure that you have succession planning, but it does not always work out.

Joe Griffin: It is not a total freeze in the sense that there are some roles that, as you suggest, are absolutely critical, including to the carrying out of statutory duties—for example, in relation to some of our marine or agricultural responsibilities. However, with that caveat, it is as close to a recruitment freeze as we can muster.

The advantage of the freeze is that it gives us a degree of certainty. Our natural attrition rate is around 6 per cent a year. With a recruitment freeze in place, if you maintain that over a year and attrition stays at the current rate, you can predict with reasonable certainty, allowing for a couple of the exceptions that I mentioned earlier, that you will meet your target.

As of now, there are no other tools available to us. You either restrict who comes in or you have some agency, in some way, over who goes out, and we do not have that at the moment. We are relying on natural attrition and people's voluntary decisions to retire or leave the organisation. There are other ways of doing it, but, as things stand, we are taking that approach. A recruitment freeze gives us a degree of certainty that we can continue to meet our targets as we move through the next financial year.

The Convener: It used to be called wastage—attrition is not really much better, is it? There is a 6 per cent attrition rate, and the Scottish Government is looking for a cost reduction of around 4 per cent a year. Where are we on that? On 7 November, the cabinet secretary confirmed that annualised Scottish Government costs will reduce by approximately £1 billion, which is 20 per cent of costs. As I said, that is about 4 per cent a year. Where are we on that? Are we on track?

Joe Griffin: We are on track. The latest figure was published back in September. At that point, we were looking at a 1.6 per cent reduction. The management information that I have suggests that we are on track to be there or thereabouts at the end of March to meet the 4 per cent target for this financial year.

The Convener: While we are talking about being on track, the Scottish Government has sharpened delivery discipline with the creation of a delivery unit. The programme for government is supported by a dashboard that shows whether we are on track. Where are we on that dashboard?

Joe Griffin: That is largely positive.

The Convener: "Largely" could be 51 per cent or 95 per cent.

Joe Griffin: It is more like 80 per cent than 50 per cent. I am not sure that I have the specific figure in front of me, but I am happy to write to the committee.

Part of the purpose of creating the unit was to be able to track the deliverability of commitments in the programme for government and to improve the capability of the Scottish Government. I mentioned in my opening remarks the importance of getting things done, and that unit has been able to pull together a range of different methodologies that the Government has used over the years, including ideas from the Michael Barber review, improvement methodology and programme and project management. The unit also has a role in improving the capability across the organisation so that we can serve Government most effectively by translating commitments into action and delivery.

I will happily write to the committee with a specific figure for where we are today with the programme for government commitments.

The Convener: In the media, it has been reported quite extensively that there has been resistance among some civil servants to returning to the office for two days a week, which was a target that you set nine months ago for October last year. You said that you are now going through a process of ensuring that people will be together from October. Where are we with that? Are there any proposals to increase the target of two days a week to three days a week, or are you resting on two days?

Joe Griffin: We have been running that policy since October, and I am pleased that our data on building access in relation to building capacity has increased quite significantly for some buildings in particular. For example, in February 2025, St Andrew's house in Edinburgh, which is generally regarded as a flagship Scottish Government building, had a 34 per cent building occupancy rate. In February 2026, that was up to 60 per cent. At Atlantic Quay in Glasgow, occupancy is up from 57 per cent in February 2025 to 68 per cent in February 2026. In some of the other buildings—for full disclosure—the increases are less significant, although some of that is a result of people choosing to work in St Andrews house, for example. We are moving on this, and there has been a palpable change in the atmosphere and the vibrancy—

The Convener: Everyone was expected to do two days a week. Where are we with that? Is it 60, 70, 80 or 90 per cent of people who are doing that?

Joe Griffin: This is the data that we are using. We are not monitoring individuals as part of the policy—

The Convener: How can we tell what percentage of the workforce is actually following the two-day thing? It is apples and oranges. I am pretty sure that, when you gave evidence to the committee previously, you talked about people having to do two days a week, not about the capacity of buildings.

Joe Griffin: That is the data set that we have. You referred to anxiety among some colleagues about a change in the policy. We wanted, therefore, to proceed as best we could in agreement with the unions, and part of the nature of that agreement was that we would not be monitoring individuals. The policy is not, in its origin, a punitive approach—it does not speak to distrust of people who are working hard. We think that it is positive, and we want to encourage people to be present with their colleagues and to work with stakeholders externally, so we have not—

The Convener: Sorry—we are talking about only two days out of a five-day working week. Why is coming into the office so onerous? Pre-pandemic, everybody worked in the office, did they not? It was just taken for granted. That is where you worked—you turned up Monday to Friday and did your shift, and then you went up the road. Now, suddenly, a few years later, we are trying to get folk to do for two days a week what they normally did for five days, sometimes for many years. That seems extraordinary to me—it really does.

I would have thought that you would, indeed, be monitoring the policy to see whether some departments have 100 per cent of people coming back for two days a week—or more, one would hope. In other departments, if the percentage was lower, or significantly lower, you would want to look at why that was not happening and at the issues that might be preventing people from returning to work.

Do people not like working with their colleagues—the banter and all that kind of thing? It is not healthy to sit in your house all the time, working. For me, the fridge would be the big problem because I would be raiding it every 10 minutes. That is not a flippant remark—it is actually true. Surely working is about the camaraderie and a shared vision. Not everything can be done on a computer or by phone. I am struggling to understand what is going on here.

Joe Griffin: In large measure, I completely agree with you. Personally, I work in the office or with stakeholders every single day. I do that for all the reasons that you give, and I always have done throughout my career. All the reasons that you have given are strong arguments for the policy that we introduced a number of years after Covid, when that decision was not taken. As I said, we wanted to proceed in a way that respected the partnership with our colleagues in the unions, and that ultimately led to some compromises on the basis on which we were going to proceed.

Fundamentally, we need to get the value from that arrangement, so we may review it with the incoming Government after May. As things stand, both the motivation and the way of monitoring the arrangements have been agreed in partnership, and we continue to make the kind of arguments that you have made. Nevertheless, the uplifts in building occupancy rates that we are talking about are not trivial.

The Convener: Okay. I am sure that other members will want to explore that further.

Why has there been such a dramatic increase in the number of Scottish Government communications staff over the past decade?

Joe Griffin: I do not have the answer to that one. Lesley, do you?

Lesley Fraser (Scottish Government): No, I do not have those figures in front of me. I am not aware that the numbers have increased in recent years.

The Convener: I will give you some figures. The budget for Scottish Government communications staff increased from £2.256 million in 2013-14 to £4.498 million in 2024-25. Allowing for inflation, that is about 30 per cent higher than during the Covid pandemic. There are now 17 special advisers—six more than there were 10 years ago. Why is that necessary?

Lesley Fraser: The special advisers are appointed directly by the First Minister. The First Minister makes a choice about the number, and the skills, of special advisers that would be helpful for him and his ministerial colleagues. Clearly, they are covering a very broad range of activity within Government and, as the permanent secretary has just said, that has increased over the period that you set out.

11:00

The Convener: Social security has been devolved, so I understand that there might be a need for one or two more advisers. However, it seems as though there is a higher number than under previous First Ministers in previous Administrations. Is that not the case? It just seems a bit unnecessary.

Lesley Fraser: Generally, the Scottish Government has matured and increased its range of powers and responsibilities over the entire period of devolution, including over the past decade.

The Convener: If the civil service is expected to reduce to an optimal size, should not the number of special advisers also reduce accordingly?

Lesley Fraser: I am sure that, following the election, the First Minister who is elected will take a look at what is required, in terms of both the ministerial offices that are needed and special adviser support. Special advisers play a valuable role for civil servants and ministers in being able to translate between the political world and the impartial and objective world that civil servants work in.

The Convener: Okay, thanks. I am going to make myself popular, am I not?

Let us look at something else. The committee has expressed concern in relation to the baselining of all routine in-year transfers. I am talking specifically about comparing the autumn budget revision figures to the draft budget. Tremendous progress has been made over the years on the quality of data that we are given for the spring and autumn budget revisions. There used to be a couple of dozen pages, but now we get big tomes of 150 pages that are full of detail, which is great. A lot of work has been done to align budgets with the ABR, so that we can see what is being spent and where the draft budget will take us with the most recently published figures.

However, the Scottish Fiscal Commission has pointed out that around £610 million is not routinely baselined. You have gone a long way towards a more transparent presentation of the figures, but surely consistency to ensure that all the figures are presented in that way would be much more beneficial.

Joe Griffin: We do not have any theoretical reason to object to that. As I said, we often operate in a volatile and reactive environment. In the previous session with the Cabinet Secretary for Finance and Local Government, there was an exchange about the chancellor's statement last week and the implications of that for the Scottish Government budget. You alluded to the progress that we have made on transparency. We will continue doing that to the best of our ability, but having flexibility is useful in an environment in which we cannot entirely control our revenue. We are operating in a flexible fiscal environment.

I do not know whether Richard McCallum wants to add anything, but there is no doctrinal opposition to trying to improve transparency as best we can.

The Convener: I have another question before Richard comes in. Is the aim to ensure that there is alignment perhaps next year or the year after, so that we have full transparency? You are making a lot of progress, so it seems disappointing that it is not being done across the board.

Joe Griffin: From my perspective, we want to be as transparent as possible. To the extent that there are exceptions to that, they should be exceptions, but I want us to continue that progress.

Richard has been more closely involved in the issue.

Richard McCallum: In 2024-25, just under £1 billion was baselined. There was another £500 million in 2025-26 and then nearly £800 million has been baselined in the 2026-27 budget. As you say, convener, our intention is to push on with that for the budget next time. There are times when ABR and SBR transfers are appropriate, particularly if those are around demand-led budgets in which the numbers can flex, or if new money is allocated or there is potentially growing money.

There will always be exceptions that we have to factor in, but I know that the committee has been clear in its expectations on transparency. For the

successor committee after the election, we are certainly keen to try to make the process as transparent and clear as possible.

The Convener: I could say more about that, but I appreciate what you have said.

This is my final point. When the committee went to Lithuania, we were impressed by the Lithuania 2050 approach, which is a national vision for the future, with a parliamentary committee of all parties monitoring progress towards achieving that vision of where they want that country to be in 2050. It has all-party buy-in. We understand that Scottish Government officials have since met officials from the Lithuanian Government, and the Scottish Government has committed to giving

"full consideration to any applicable lessons from the Lithuania 2050 approach and other international good practice."

Given the fact that the SFC continues to talk about the impact of sustainability, and that you, Joe, as the permanent secretary, have talked about the fiscal gap in capital and resource in the next few years, is there a need for a similar committee in Scotland, or for one of the Parliament's committees to have a remit that includes a focus on long-term fiscal sustainability so that we can, as has been said, look at international good practice and deliver long-term sustainability of not only our finances but the delivery of the services that depend on those finances?

Joe Griffin: That is an interesting question. It is for the Parliament to decide its committee make-up. I was genuine in my opening remarks about the value that this committee has delivered in respect of finance and public administration. You have my word, as one of the customers of the committee's work, that we follow your output.

Your specific point about longer-term thinking relates to how we are trying to reform the national performance framework, which I am happy to talk more about, and ensure that it is in a more useful form that has greater utility when it comes to making strategic choices, including on long-term fiscal direction. We have also revived some of the futures work within Government, and a report on future trends for Scotland was published on 18 June last year. I also note that the Scotland 50 group is emerging in civic Scotland, and that looks interesting to me. I have been around long enough to remember the work that the Parliament did on futures in an earlier session.

All of this is grist to the mill. The different perspectives coming out of the legislature, which bring with them an appropriate degree of scrutiny of and challenge to the executive, are important. That is a welcome and necessary tension, and capacity within the Government is also good. Crucially, we can make connections, whether with Lithuania or other countries. For example, we have been speaking to Singapore recently about its experience of civil service reform.

My answer to your question is therefore yes, that is all useful and valuable stuff that we follow and would look to incorporate into our thinking.

The Convener: So many countries are facing the same issues that we are, such as the demographic challenge, in a rapidly changing world.

Colleagues are keen to come in. The first will be Michelle Thomson, followed by Craig Hoy.

Michelle Thomson: Good morning. I want to follow up on what the convener was asking about in relation to the public sector reform programme. To be a success, it will require a culture change in the leadership team. Can you outline what that means to you and how confident you are that you can deliver it?

Joe Griffin: On the leadership team, I am missing a number of great colleagues who have retired, and a number of others have announced their imminent retirement. However, as permanent secretary, that gives me the opportunity to bring into that team talented people with different perspectives and that is what I have done by way of recruitment. For example, the director general net zero, Dr Andy Kerr, brings deep expertise from the world of climate change and climate change financing, international work and knowledge transfer, and an entrepreneurial track record. Therefore, moving into the next session of Parliament, the first thing to say about the leadership team is that, in large measure, it will comprise a different set of people, which will give us an opportunity to look at things differently. We have also worked on how we work together. We have reduced the amount of time spent in meetings, shortened the papers, reduced some of the conversational aspects of our meetings and got much more into the specificity of the actions that we need to take, probably with more of an emphasis on running the organisation than wider policy discussions, although policy also comes into it.

On the confidence point, it is really important to have some clear propositions for the incoming Administration in May on what you might see as some of the big-ticket items, and I have been gratified by the work that has been done. In a document that was published alongside the budget, each of the portfolios set out a number of efficiencies and reforms that can be made now, which collectively total £1.5 billion. We will need to do much more than that on an annual and recurring basis, so I have asked each DG to be ready for the incoming Administration with what I

have described as the rough equivalent of police and fire reform in their sector, because that is the scale of savings that we will need to make. Colleagues have not been working on those matters in a vacuum; they have also been discussing them with wider sectors. Therefore, we will ready for the incoming Administration, should it wish to pursue the same direction.

The production of the initial set of reforms and the fact that we are working on and thinking about some big-ticket items give me confidence. Then we have the burning platform, which is the analysis of the public finances and so on. For those reasons, as well as the fact that we will have a new team of people who are thinking about those issues, we will be in decent shape, and we will see who the electorate sends to us to take that forward.

Michelle Thomson: I hope that you are successful in achieving the mooted £1.5 billion saving, because it certainly shows the audacity to pursue change that I want to see. However, I notice that you have not mentioned anything more about risk appetite or cognitive diversity in your senior leadership team. One of the civil service's greatest strengths has been its attitude to risk, but it could also be one of its greatest weaknesses, given some of the challenges that are coming out of left field—you have mentioned some of them already—such as climate change and artificial intelligence. Are you consciously considering those issues as part of any culture change that will enable delivery?

Joe Griffin: I will quote a former minister, who I shall keep anonymous for these purposes, who was asked what they thought about risk taking in the civil service, and they said that they were very much in favour of it as long as it worked. Risk taking is not always like that, because you need to have a bit of an appetite for some things not being successful. Ultimately, you set risk in partnership with your elected politicians, and you must have regard to their political risk appetite. Often, that relates to specific propositions rather than a general posture.

Your point about cognitive diversity was well made. In any team, you want to see a diversity of thought. You definitely want a sense of people being able to challenge one another and provide fearless advice to ministers that is clear, honest and objective. One of the advantages of being able to recruit as intensively as I have over the past few months is that we get really good data from that process. We have really good psychometric profiles of people that show their preferences, and that allows me, with each appointment, to think first and foremost about the individual but also to have regard to the overall team dynamic and to make sure that we build a team that is balanced in terms of gender, for example, and cognitive diversity. I have had that opportunity, and I feel good about the progress that we are making.

Michelle Thomson: I will carry on because I want to cover a couple of themes, the next of which is transparency. You are accountable for ensuring transparency in the civil service, as well as for acting personally and making decisions transparently. You will be aware of increasing concerns about transparency. Yesterday, *The Scotsman*'s Catriona Stewart wrote an article that noted that the UK Government had answered an FOI request in full but that the Scottish Government had redacted an identical request entirely, bar the words "Dear Andrew". I understand the difference between the various legislative regimes and acts, but do you understand that the optics are poor?

My substantive point is about the Scottish Information Commissioner. You will have seen his letter, in which he made three points: more information was redacted than he expected in the delayed 281/2025 release; he has not yet received a response to his letter of 2 February, which was 36 days ago; and the disjointed and "chaotic nature" of Scottish Government responses is troubling and merits further investigations in order to ascertain whether he needs to open a "third intervention", which would this time be at the Scottish Government's expense. What on earth is going on?

Joe Griffin: I understand that critique. We read the commentary. We are alive to perceptions that the Government's performance has improved and that that has been sustained over a period of time in terms of the number of FOIs—

11:15

Michelle Thomson: Yes, but I am talking specifically, rather than generally. Specifically, it is unheard of for the Scottish Information Commissioner to comment using terms such as "disjointed" and "chaotic". He is talking directly. There have been a variety of threads, as you know, on the issue of FOI requests around the Hamilton inquiry, but what the commissioner has said is a particularly strong way of expressing things, and he is expressing his own dealings with the situation. I am trying to get a sense of how concerned you are and what you are going to do about it, because it is fundamentally affecting trust in the Scottish Government.

Joe Griffin: I absolutely understand the critique, Ms Thomson. I am meeting the commissioner tomorrow morning at 9 o'clock, and we will discuss these matters in full. At their heart is a particular set of individual FOI requests—north of around 70 of them—relating to James Hamilton's report on the former First Minister. That has involved a

complex set of interactions and a very large number of documents. We have made some mistakes during the course of that. Some of those were a result of human error in the complex environment that we are dealing with. I will discuss the situation in full with the commissioner. I hope that, at the very least, I am able to reassure him about our intent and about the processes that we followed, as we have approached these things in good faith. Lesley Fraser might have something to add to that.

Michelle Thomson: Before Lesley comes in, I want to say that am pleased to hear that you are meeting the Information Commissioner tomorrow morning. However, that letter was sent on 2 February, which was 36 days ago. You are telling me that you are mindful of the matter, and we all understand the issues around complexity, in fairness, but that is a very evident example—it is 36 days on from a letter being sent. Given the amount of interest in the issue and how on point the Information Commissioner has been, what on earth is the reason that 36 days have gone by and there is still no reply?

Joe Griffin: If you do not mind, I will ask Lesley to give you a specific answer to that question.

Lesley Fraser: I think that the reason is the level of complexity around the questions that the commissioner is, rightly, asking us. The permanent secretary and the commissioner will have the opportunity to discuss the issues more fully tomorrow, but, as the committee will be aware, there are various constraints around the information that is being investigated where transparency is being sought. Handling that in an appropriate way, given those constraints, really is complex, not just in terms of legality but in terms of information handling and the different issues that are at play. I hope and expect that the discussion tomorrow will be very helpful.

Michelle Thomson: Confidence in transparency is generally not helped by a lack of confidence in someone obeying the rule of law. It is nearly a year since the Supreme Court judgment on 16 April 2025 in For Women Scotland Ltd v the Scottish ministers. Whether it is raised in the debating chamber or a committee, the official Scottish Government line—I am paraphrasing—is "We are working hard to obey the law", which is another way of saying "We are still currently breaking it". That strikes me as somewhat Trumpian. It was only yesterday that LGBT Youth Scotland—which is, of course, funded by the Scottish Government—put out guidance contrary to the Supreme Court ruling in that it did not comply with the School Premises (General Requirements and Standards) (Scotland) Regulations 1967 or the Equality Act 2010. What on earth is going on? Why can the Scottish Government not obey the law?

Joe Griffin: We have done a number of things since we last had an exchange on these matters, Ms Thomson. A senior-level group is co-ordinating our response and looking at the specificities of how we need to respond in each sector. I can run through quickly a number of the actions that we have taken, if that would be helpful.

Michelle Thomson: What you are telling me is largely the same holding response that I got last time. You are saying, "We are doing lots of stuff", but I have no sight of said lots of stuff. As I see it, this is a matter of the rule of law, and I am left to wonder why we are not obeying the rule of law.

Joe Griffin: In that case, I had better list some of the actions that we have taken, as I think that that will explain how we are meeting the rule of law.

We have updated our guidance for the Gender Representation on Public Boards (Scotland) Act 2018, and we have amended the public appointments recruitment process for public bodies that are subject to the 2018 act with regard to seeking and using biological sex at birth data. We have moved to an interim trans and non-binary inclusion policy for Scottish Government staff, removing a line regarding facilities use while we develop new policy and guidance in consultation with trade unions, and we have conducted an initial review of facilities across the Scottish Government estate, with a more detailed review now under way to ensure that our provision meets the needs of staff and other requirements.

I have more that I could say, but I do not want to abuse the committee's time by going through all of it. I am happy to write to you to ensure that it is all on the record.

In summary, what I am telling you is that we have taken actions specific to the sectors where we have deemed it possible, and necessary, to deploy the law. As you know, we are still waiting for the formal adoption of the Equality and Human Rights Commission's guidance, which sits—

Michelle Thomson: Clearly, though, you do not need to wait for that. That has been made very clear.

Joe Griffin: I think that it is important to put on record that we have taken a number of actions. This is territory where you are dealing with guidance and interpreting the legislation in specific ways. The actions might sound somewhat ethereal, perhaps, but that is the nature of the actions that the judgment requires us to take.

The Convener: One gets the impression of being dragged, kicking and screaming, to do this, no?

Joe Griffin: If that is your impression, that is your impression. I can speak only to the work that I have seen my colleagues do and the list of actions that we have taken. The Government has been clear from the outset that we respect the judgment. Again, we are navigating a degree of complexity here, but a series of concrete measures have been taken.

Michelle Thomson: I am aware, because it is in the public realm via an FOI, that those groups with whom you have consulted in developing this guidance have only—I am reluctant to characterise the debate in this way—been on one side of it. In other words, they are groups that give voice to the concerns of trans groups. Do you not find it the very definition of madness only to consult one side and not to consult with women's groups—and, critically, For Women Scotland, which won the court case—in developing this guidance?

Joe Griffin: Forgive me, but I am not sighted on the details of those different consultations. Lesley, do you want to come in on that?

Lesley Fraser: I can speak to the consultations that we have been holding in the Scottish Government in relation to our own employer policies. For example, we have held listening circles with different groups of staff to hear different perspectives, and we particularly welcome that diversity of input and perspective. We have also consulted on the facilities that we have available for staff use in the Scottish Government's 60-plus buildings up and down the country. Colleagues can input in the knowledge that we are listening, and we will devise and take actions on the basis of that widespread consultation and input.

Michelle Thomson: What I am referring to, just so you have it for your records in case you want to follow it up, is a letter from For Women Scotland dated 3 March, which references specifically—and I quote—

"extensive engagement with trans organisations"

as well as

"additional roundtable meetings between Scottish Ministers and the same six trans groups".

There has been only one meeting between For Women Scotland and the Cabinet Secretary for Social Justice and of course, none between the First Minister and the group.

I am asking about that, because if you are going to deliver a change that adheres to the law and which has been accepted so that everyone can move forward with clarity and together—because that is what everyone wants; everyone wants people's rights to be respected—how on earth are you going to do that when you talk to only one group? What is stopping any of you meeting For Women Scotland, given that that case cost the Scottish Government £780,000?

Joe Griffin: I will happily look into that. In relation to the 3 March letter, I completely understand the point that you are making on the specificity of For Women Scotland. I do not know the ins and outs of what meetings have happened or not happened. For me personally, I have engaged with a range of different staff groups—Lesley Fraser mentioned that earlier—and I have listened to people who take that gender-critical position, as it is sometimes called. I thought that it was important for me to be sensitised to all aspects of the argument, because I completely agree with you that we have to move forward on the basis of dialogue and getting to a point of shared understanding. I understand your point. Forgive me if I do not have the details in front of me. I assure you that I will look into it.

Michelle Thomson: What assessment are you making in relation to further court cases coming forward? Obviously, we have a court case in train at the moment in relation to men in women's prisons, but, as I understand it, other court cases are being developed. There was a section 35 order in relation to gender recognition, and the costs for that are about £1.2 million, plus there is the Sandie Peggie case, which has cost about £400,000 so far. Other court cases will come forward while this issue is not addressed. Are you making an assessment of the potential costs, given the critical public finance constraints?

Joe Griffin: The Government is looking to develop the specific position that we need to be in as regards every individual sector. That is the purpose of the group. Of course, lawyers are involved in that. It is important that we reach the decision that we think is right, and that we do not sit here thinking, "Well, that may trigger legal action here or there, and the sum total of the cost of that potential set of circumstances is X or Y." The evidence goes to ministers to allow them to make a decision based on the best advice of how we need to proceed.

Michelle Thomson: But do you not think that you should consider that? This is all costing the public purse. As I think I have suggested before, if this was your money, I bet you would not be doing this, but this is public money. People are looking at this and going, "Well, this is costing the public purse a fortune," and we are still not obeying the law. It seems quite incredible.

Joe Griffin: We have taken a number of measures, as I described earlier, to make sure that

we are in compliance with the law. I think that the Government is right to adopt the position that it thinks we should be in, in respect of the different sectors, informed by all the different aspects. It is a highly litigious environment. I think that it would be very difficult to make an assessment. In a way, you are almost suggesting that the Government should not reach the position that it thinks is the right position, because of the possible risk of legal action.

Michelle Thomson: Actually, what I am suggesting is that none of this would have happened if the Government had been able to take cognisance of balancing rights and not make it about competing rights and, of course, critically, if the Government had not allowed the wholesale roll-out of self-identification to public sector organisations, which was never part of the law, and that has been absolutely confirmed. Therefore, the failure to engage with one entire side of the debate seems utter madness, because this is going to carry on.

Joe Griffin: I will follow up your point about engagement. As I said, I have done that at a personal level. There is a specific point that you make about For Women Scotland, and I will make an assessment generally about the equity of engagement. I understand the point.

Michelle Thomson: Okay. Thank you.

The Convener: It seems to me, as a simple soul, that the Scottish Government was quick to take on board the Supreme Court's view on the legality of an independence referendum, but this seems to be dragging out for what has been, I think, 11 months already.

Lesley, can I ask you, what is a listening circle? It is not something that I have come across in all my many years.

Lesley Fraser: It is perhaps just the latest way of describing some of the ways in which we can engage with our colleagues. As Ms Thomson suggested, it is very much about allowing people to bring their experience, insights and concerns into a safe space.

The Convener: What do you mean by a "safe space"? What do you mean by the word "safe" there? It is a kind of pejorative term, really. Is there somebody outside with a sharp knife, perhaps, and you put them into that space? That is probably a simplistic way of putting it, but, to me, the use of that terminology seems a bit over the top.

Joe Griffin: I am not sure that it is over the top, convener. Again, from the discussions that I have had, people feel very strongly about this issue and—again, to be reductionist—people often relate how they approach the issue, on both sides of the argument, in some instances, to quite traumatic personal experience. It is one of the things that I have been sensitised to in the course of my conversations. How you set up such conversations, particularly if people have differing perspectives, is very important. I would say that the word "safe" is probably not overplayed here, when it comes to getting the right psychology so that people feel that they can express themselves, be listened to with respect, and potentially not have to go through things that have previously traumatised them. With respect, I think that that is a legitimate way to approach such conversations.

11:30

The Convener: Okay. Moving swiftly on, I call Craig Hoy, to be followed by Michael Marra.

Craig Hoy: Good morning, Mr Griffin. I am going take a slightly scattergun approach, because several issues have arisen this morning that I think merit a follow-up.

In relation to working from home, can you put on the record how you are actually monitoring, first of all, an individual civil servant's working patterns, and, secondly, the collective working patterns of the civil service?

Joe Griffin: We are not monitoring individuals. Instead, there will be, at a management level, a sense of how the team is operating; each team has a team agreement, which sets down principles for how people are going to work together, and it would be noticeable if an individual within a team was not engaging with what the team had agreed. I would expect management conversations to ensue from that. However, there is no specific taking-a-register approach in the form of individual monitoring.

Craig Hoy: You have said that the usage of buildings has gone up quite significantly. Last September, usage of Victoria Quay was at 12.2 per cent. However, we could be talking about a small number of individuals attending five days a week. In other words, when you talk about progress from 12.2 per cent to 25 per cent, we could, hypothetically, be talking about the same number of people working more hours in the office. Do you have a total for the number of civil servants who are going into the office at all, and the total number who are not attending the office under any circumstances?

Joe Griffin: I think that we have data on individual logins in Scottish Government buildings. Do we have that, Lesley?

Lesley Fraser: We do. Of course, our buildings are used by a number of public bodies as part of the single Scottish estate programme. We quite deliberately seek to maximise the use of our estate

for the benefit of the wider public sector in Scotland.

However, we can see where people are logging in. There will be colleagues who will have logged into the Parliament to support me and my colleagues this morning, for example, or there will be a number of colleagues who will be out across rural Scotland on, for example, agricultural work, and we would not expect them to log in to one of our central belt locations at any point. There is a real diversity of roles within the Scottish Government, and the team agreements that the permanent secretary has referred to seek to capture that, allowing line managers to manage and monitor how people are using their two days a week, or more, either out with stakeholders or face to face with colleagues in the office.

Craig Hoy: I sense that, with these relatively simple questions that are being put to you, we are getting into listening circles again—there is a touch of wokery coming in.

I suppose that what I am asking is this: what would happen to a civil servant who chose not to go into the office and preferred to work from home instead? How many cases of disciplinary action have arisen as a result of that situation?

Joe Griffin: I am on record last time as having described such a situation and saying that that, in itself, would not trigger disciplinary measures.

It might be helpful to take a step back and look at how we have gone about this and the thinking behind it. There was a long period after Covid in which there was no real determined approach to get people back into the office or, indeed, working with stakeholders outwith the office. The executive team that I lead decided quite early on last year that we needed to change that, and for positive reasons. There was a positivity to many of the reasons; this was not intended as a punitive measure or as a way of checking up on people or ensuring that they were working. I know from my 30 years of professional life that people are capable of not working hard either at home or in an office—I do not think the setting has any intrinsic relationship to people's work rate.

We also wanted to get into a discussion with the unions and reach an agreement with them about the basis on which we could move forward together. We reached an agreement that has led to certain constraints in how we have gone about this, including a lack of individual monitoring, which is something that unions felt strongly about. We could, at some future date, determine that we are not getting the benefits from in-office working and proceed without agreement with union colleagues, but that will trigger the kind of conflict that would be unhelpful. We need to make a range of changes to the organisation, such as reducing its size. I am sure that we will get into some of the different aspects of that but, for now, the judgment is that we need to work in partnership with the unions and that has led us to taking the approach that I sense a number of members of the committee are not comfortable with. I understand that, but I wanted to explain that there is a rounded, thought-through strategy here —

Craig Hoy: Mr Griffin, you are head of the civil service, so who is the boss in this? Is it you or is it the Scottish Government and the First Minister? Who decides what the policy is?

Joe Griffin: These are matters for the executive team. We discuss them with ministers, obviously, but ultimately they are decisions for the executive team to take.

Craig Hoy: So, at this point in time, the policy is that you expect civil servants to be in the office 40 per cent of the time. Is that correct?

Joe Griffin: Yes.

Craig Hoy: Do you know how many of the 9,000 core civil servants comply with that?

Joe Griffin: No. We do not have the data because not monitoring individuals on a taking-a-register basis was part of the terms of the agreement with the unions.

Craig Hoy: We are aware from freedom of information requests that there was a lively discussion between various members of the executive team of the civil service in Scotland about moving to a 60 per cent model. Gregor Irwin said that you should commit fully now to the 60 per cent model whereas Ms Fraser, I think, said that that decision should be taken in light of the evidence from the 40 per cent model. How can you assess whether to go from 40 per cent to 60 per cent if you are not capturing the data about the performance under the 40 per cent model?

Joe Griffin: I understand the shortcomings of the data, but it is not a data-free zone.

Craig Hoy: Well, you pretty much said that it is a data-free zone.

Joe Griffin: No, no. At the very least, the building occupancy statistics tell us something about trends, and they certainly tell us something about the numbers of people in the building compared to the capacity.

We do not have data that tells us other things. I will not claim any massive credit for it at this point, but early on in this internal exercise, I asked the team to think about a broader data set that can also tell us something about the qualitative nature of the work that people are doing. One thing I do not want to happen is that people merely come into an office and then engage in Teams calls all day. I

do not see that that generates any sort of further benefit.

As for the executive team discussion, as I said earlier to Ms Thomson, it is perfectly healthy for people to take different approaches.

Craig Hoy: Are you scared of the public sector unions on this?

Joe Griffin: I am not scared. It is important for us to try to proceed in partnership and with agreement. We will need to realise a lot of change in the coming years, and there is a premium on doing that together. However, as I said, ultimately, if it is not going to deliver the benefits that we need to see, it is the executive's prerogative to rethink that. However, as of now, we are in agreement and I think that things are improving.

Craig Hoy: On staff numbers, you have effectively said that, in large part, you are managing the future shape, form and function of the civil service through attrition—through who walks out of the door. Is that an efficient strategic way to approach something as important as redefining the civil service for the future challenges of tomorrow?

Joe Griffin: We are having a look at all the aspects that are involved in the development of the organisation to 2030. I have commissioned an experienced director to come offline and do some preparatory work ahead of the election on the different aspects that are in play. To give you a flavour of the different things that we are looking at, there are details around attendance management and where we are in respect of sick leave and intelligent automation. There are a number of aspects that can contribute to us being able to be successful as a smaller organisation.

As of now, there is no funding or proposal for a voluntary exit scheme and the commitment to no compulsory redundancies remains part of the current pay deal. Those are theoretically things that we could do and that have been deployed in Whitehall, for example, but they are not part of the mix at the moment. Should a new Administration be open to discussing those things with us, we will have the evidence and have carried out the thinking to support it.

Craig Hoy: Have you asked ministers to consider revisiting that, in the same way as has been done in the rest of the civil service in the UK? Would that be another tool that you could use?

Joe Griffin: I have not gone in to ask whether they would give us permission to do that. I have established in conversations with Mr McKee that, at this stage, there is no appetite to do either of those things.

Craig Hoy: Do you accept that, in a very dynamic employment market that is changing rapidly through innovations such as AI, people in the civil service who are in high demand could feel magnetism to move to the private sector, and that if you rely principally on natural attrition, there is a risk that you could be left with the wrong people—square pegs for round holes—to rise to the challenge that you have?

Joe Griffin: I am alive to the pros and cons of the approach that relies on natural attrition. We have been increasing capacity in a number of areas, and rightly so. For example, it is important for us to underpin our digital reforms, and there is a strong market effect in that area. We also use a professions lens. Part of the investment in our new underpinning operating system, Oracle, allows us to identify specific jobs within the 21 Government professions that are listed, which includes jobs in policy, operations, statistical, digital and so on.

As part of the consideration of the different options that could be available to a future Administration, we might factor in the pros and cons of where we are, but, as of now, I have to play the ball where it lies. The importance of realising the overall reductions and the budget reductions as part of public service reform—even if only to set an example—means that we have, with some reluctance, reached the position of instituting a recruitment freeze.

Craig Hoy: For the record, on balance, would you like to have the opportunity at least to explore voluntary redundancy packages and/or compulsory redundancy at this point in time? Would that help you in your role?

Joe Griffin: These matters are quite political and they are connected to a range of other factors. As I am a technocrat, it does not fall to me to advocate for or make decisions on such things in isolation. I am happy to say that I am alive to the pros and cons of the natural attrition route. Earlier, you asked about the ministerial-civil service interface. Ultimately, matters like these are very much for ministers.

Craig Hoy: I have two final questions, one of which relates to the contingent workforce. Mr McKee has said that there has been significant progress in reducing the contingent workforce, which, as of September 2025, was at 998 members and had been going down 20 per cent year on year. Has any of that reduction actually been displacement? There has been a rise in the employed civil service base in certain areas, particularly at the senior level. Has anybody left through the front door and then been recruited through the back door?

Joe Griffin: Do you mean on a revolving-door basis?

Craig Hoy: Yes—have there been any such individuals?

Joe Griffin: I am not sure that I would necessarily be aware of that happening. Lesley might be able to answer that.

Lesley Fraser: We have replaced some contingent workers with lower-cost permanent staff, where there has been a strong value-for-money case for doing that. For example, if we have been running a managed contract with the private sector for several years, we might be able to do that work for half the cost by permanently employing—

Craig Hoy: Right, but there is no trend currently where out of 200 previously contingent people, maybe 50 of them are being employed in the civil service now, is there?

Lesley Fraser: No. In fact, the management information that we are seeing now shows that the number of directly employed has also been coming down in recent months. The numbers of both contingent and directly employed workers are reducing at this point.

Craig Hoy: The convener talked earlier about the appetite for public sector reform. The Scottish Government committed £30 million to the invest-to-save scheme last year. I noticed that only 24 applications to the scheme were from the core Scottish civil service directorates and Government agencies; there was only one from DG economy and three from DG corporate, and some of the DGs are not applying at all. What does it tell us about the appetite for public sector reform that, when your colleagues were effectively given free money to embark on the process, there was such a low uptake among them?

Joe Griffin: The invest-to-save fund is only one relatively small part of this workstream. I referred earlier to the commission that I put out to directors general to think about the big-ticket items, and there were specific limitations on the invest-to-save fund, so that it would only be used for single-year projects, not multiyear or capital projects. People may have felt that the work that they were undertaking on public service reform fitted elsewhere. A range of promising projects have come through as a result.

I am not too alarmed and I would not read a wider set of things into that regarding our posture or our readiness to engage in far-reaching reform.

11:45

Michael Marra: Permanent secretary, on 24 June, you said to me:

"The core civil service number needs to come down".—[*Official Report*, *Finance and Public Administration Committee*, 24 June 2025; c 28.]

Joe Griffin: Yes.

Michael Marra: Has it come down since then?

Joe Griffin: Yes, it has. It is down by 1.6 per cent, according to the latest figures published in September 2025.

Michael Marra: That is from the "Public Sector Employment in Scotland Statistics for 3rd Quarter 2025".

Joe Griffin: I am not sure of the specific reference. The number is for core Scottish Government, so it is without reference to agencies. It is just the core.

Michael Marra: In the statistics that were published that I refer to, for quarter 3, the devolved civil service head count was up by 1.5 per cent, or 420 people. There is a difference between those two sets of statistics.

Joe Griffin: People often talk about the devolved civil service in respect of the core plus a number of public bodies—those of closest proximity. That is how the consolidated accounts function. That figure that you are citing may well involve agencies, too. However, the information that I have—of some 8,700 or so—relates to core Government specifically.

Michael Marra: The public corporations head count, which I recognise as being beyond the core, is up 6 per cent across the same period, to the third quarter last year. That is according to the most recent set of statistics to have been published.

I am curious as to the intent of the Scottish Government in bringing that number down more generally. You are not in direct control of that, as head of the civil service, but it is Government policy to do that.

Joe Griffin: Yes.

Michael Marra: Do you think that we should have confidence in the Government's ability to deliver that from your office?

Joe Griffin: Ultimately, it will be reflected in budgets: public bodies will have budgets that reflect the expectation of reductions. I think that there was an exchange in your earlier evidence session about back-office and front-office functions. I do not know the underpinnings of that 6 per cent figure, but it is possible that some of that relates to front-line services. That is more likely when we consider agencies and non-departmental public bodies, for example. However, I am confident, in so far as the budgets will reflect the reductions that we need to make. That is clearly set out in the fiscal sustainability delivery plan.

Michael Marra: How many ministerial directions have you required in the past year?

Joe Griffin: I think that we are on a single one in the past year, on the purchase of Ardrossan harbour, which was just last week or the week before.

Michael Marra: The convener is quite pleased about that one. Are there no ministerial directions in relation to the budget?

Joe Griffin: None in relation to the budget, no.

Michael Marra: Are you concerned about the criticism from external organisations such as the Fraser of Allander Institute and the Institute for Fiscal Studies, which feel that there has to be an emergency budget in the coming year, given how hard to the rails the Government is running its budget, the fact that it relies on one-off savings and what the IFS calls "heroic" assumptions around efficiencies in public services? That has to have been part of the conversations that you have been having with the Cabinet Secretary for Finance and Local Government, at least.

Joe Griffin: I did not follow all of the evidence session with the finance secretary, although Richard McCallum was physically here and may wish to comment. Of course we listen to and read respected commentators. In respect of the critique around transparency, we are aware of the sort of analysis that people undertake. In an earlier evidence session, we spoke about the consequentials flowing from the UK Government's spring statement last year.

In coming up to the end of my first year as principal accountable officer at the Scottish Government, it strikes me that that element of uncertainty is always present. We are not able to say with any great confidence whether we will be up or down by £500 million as a result of decisions taken primarily at Westminster. That just makes it a more challenging exercise than it would be if we had complete control and could predict our revenue on a more predictable basis.

Michael Marra: I am not sure that any Government anywhere can really do that.

Being the principal accountable officer, you are comfortable with a budget that runs that close to the rails, such that you are relying on those levels of savings in year to achieve a balanced paper budget that can come to Parliament. Do you think that that is a reasonable way to deal with the public finances in Scotland?

Joe Griffin: Balancing the budget is one of my most important responsibilities and it is unthinkable that we would not do that, because it is required under devolution. There has been no failure to do that at any point in the last quarter century and it will not happen on my watch either. You can take it from that answer that I judge that to be manageable.

Michael Marra: There have been three emergency budgets in the past four years and you have had to rewrite the budget in year. I recognise some of the circumstances, but it is not true to say that the budget was balanced in those circumstances.

Joe Griffin: It means that actions were taken to ensure balance instead of having to signal a reserve claim to the Treasury, which would be the alternative if we ran out of options.

Michael Marra: The alternative would be to take a different approach by having a budget that actually had some form of headroom to accommodate what might happen in year.

Joe Griffin: You are right that every Government is dealing with a dynamic environment. Over the past few years, we have seen inflation in the system, public pay negotiations and so on. There are always judgments to be made about the degree of headroom and the likelihood, or not, of further UK Government consequentials. It is a pretty dynamic and iterative process.

Michael Marra: Where do you think we will be on pay in the final year of the current pay settlement?

Joe Griffin: The election that is coming up is pretty germane to all of that. We will also have to look at the economic and inflationary impacts of the current crisis in the Middle East.

Michael Marra: You set out the pay policy, to which, as chief accounting officer, you were a signatory, and which allowed for 3 per cent per year. Nobody thinks that pay rises will be contained by that. It looks as if the settlement for core NHS staff will be 0.7 or 0.8 per cent in the third year. Do you think that that will hold? That must be a concern.

Joe Griffin: I will bring in Richard McCallum, who has been working closely on that. The election will clearly be a milestone. If a different Administration is returned and wishes to take a different approach to public sector pay, all bets will be off. If I understand your line of questioning, and to try to be helpful, I can answer by saying that that is based on an assumption of continuity. Perhaps Richard can speak to that.

Michael Marra: It is based on the spending review figures set out by the UK Government and on what is deliverable.

I had this conversation with your predecessor. On 18 March 2025, when I asked him whether the

pay policy was sustainable John-Paul Marks said that, in hindsight, it was not, and that

"It was optimistic—or unrealistic."—[*Official Report, Finance and Public Administration Committee*, 18 March 2025; c 24.]

He was reflecting on the 3.3 per cent figure that had been set. I am trying to find out whether you, as the principal adviser to the Government, are actually looking at the context and setting out the challenge that we all anticipate is going to happen.

Joe Griffin: I understand your question better now. The sort of deals that have been concluded take you quite close to that 9 per cent envelope. Shona Robison is on record as saying that, if she had been continuing in her current role, she would have had to revisit that policy after the election. I think that that is right. Perhaps Richard can illuminate further.

Richard McCallum: I have a couple of things to say. The pay policy was set in December 2024, which was part of the previous budget round rather than the most recent one. A number of two-year pay deals were agreed, as was discussed earlier.

Specifically, and most germanely, what has been signed off for the 2026-27 budget reflects the pay deals that have already been agreed. There were risks at the time of that pay settlement. We made some assumptions about inflation—although that did not come down quite as quickly as we expected—and we made a judgment about pay policy at that point.

When we come to the pay deal for 2027-28, we will have to look at the overall funding position and at how that is reflected in the deals that are ultimately agreed. That will be a consideration for the principal accountable officer as part of the 2027-28 budget. At the time of the previous budget, ministers said that that would be the point at which the policy would be reviewed and reconsidered.

Michael Marra: I anticipate that our successor committee will have you back here in a year's time and that you are going to say pretty much the same thing, which is that, in hindsight, the deal was unrealistic and that we were right to say that it was optimistic. Where does public pay sit on your risk register?

Joe Griffin: We discuss that as an executive team. As you would imagine, quite a lot of co-ordination exists across the different sector pay bids—indeed, increasingly, unions make comparisons across different sectors. We, as well as the Government, need to do that, too. However, pay must be affordable in the overall envelope.

Michael Marra: The policy has not been followed with regard to clawback, either. An overshoot in the first two years would have had to be clawed back in the subsequent year, but that did not happen, did it?

Richard McCallum: The final year has not been agreed yet.

Michael Marra: According to the terms of the policy, that was meant to happen in the second year, but it did not.

Richard McCallum: Do you mean in relation to the pay that was agreed for 2025-2026?

Michael Marra: The pay budget in the first year of the policy overshot the 3 per cent mark and, under the terms of your policy—the policy that was agreed between the chief accountable officer and the Government—the overshoot was meant to be clawed back. However, that did not happen.

Richard McCallum: The agreement was on a three-year basis, and there was a two-year deal as part of that, in that constraint.

Michael Marra: Okay, we will leave it there, because I do not think that we are getting anywhere. There is a massive problem with 54 per cent of the Scottish budget, and I do not feel that we are getting any distance with it.

In evidence regarding direct awards of ferry contracts, your predecessor told the committee that they had had legal advice that those contracts were not to be awarded because they could not be awarded. What has changed?

Joe Griffin: Sorry?

Michael Marra: There has been a direct award of ferry contracts to Ferguson Marine, but the committee was previously told that that would be impossible because such awards are illegal. What has changed in relation to the advice that you have had?

Joe Griffin: Ministers have expressed their intent around the four vessels—I refer you to the Deputy First Minister's statement. A programme of assessments now needs to take place—legal and commercial assessments, and subsidy control—which also involves engagement with the Competition and Markets Authority. A series of checks needs to take place to ensure that the specific proposition complies with that legislation.

Michael Marra: John-Paul Marks told the committee that the Scottish Government was

"of the view that, if a direct award were attempted, it would be subject to legal challenge and the likelihood would be that the challenge would be successful."—[*Official Report*, *Finance and Public Administration Committee*, 18 March 2025; c 30.]

Joe Griffin: I do not know whether that was in relation to direct awards as a matter of principle or in relation to any specific vessels. I am saying that the specific and concrete proposition that we have

in front of us will be subject to those checks. It is perfectly legitimate for ministers to announce that intention, pending the completion of that necessary due diligence.

Michael Marra: Clearly, the direct award of contracts has been an issue of policy contention for many years. I am personally in favour of it if it is legal, but the committee has heard varying views, put to us by subsequent permanent secretaries, as to whether there is legality. I understand your point in relation to the particular detail of the contract. Could you write to the committee and clarify the difference between your predecessor's position and yours?

Joe Griffin: I am not sighted on the context in which JP made those comments, so I will look into the matter. I am happy to write to you, Mr Marra.

Michael Marra: Thank you.

Colleagues have touched a bit on the level of sickness in the Scottish civil service, which appears to be much higher than in almost any other part of the UK civil service. Is there a reason for that?

Joe Griffin: I worry about that. On a personal level, I worry about colleagues who are unwell. We clearly need to improve things.

This is not an excuse, but Scotland's population health record as a whole is probably part of the picture. One of the important reasons why people should work together and be able to support one another is to get on top of some of the short-term pressures that are driven by stress. Our latest stats for the core civil service, which we are due to publish next week, will show an improvement.

We have taken a lot of action on the issue as an executive team. We have had discussions as a team, looking at the data that is attached to the individual directorates of most concern, which also form part of my monthly performance conversations with directors general. We review the specific directorates and the action that has been taken. We have some good examples of individual business areas that have really invested in the issue and improved the situation— for example, I pay tribute to the marine directorate.

We are determined to improve the situation and to provide the kind of support that means that people can be at work.

Michael Marra: What particular directorates are having challenges?

Joe Griffin: I do not have the list in front of me, but there is a range. There is not a particular cluster in one DG family, for example, that would give cause for concern. It is a little bit spread out around the organisation and it is a mix of short-term factors and some longer-term, more complicated factors, so I do not think that it is right to start picking on individual teams in isolation.

12:00

Michael Marra: You have given us one where you think there has been improvement, but you are not prepared to say which ones you think have problems.

Joe Griffin: That is because more than one of them are having that struggle and it is important to have the context around it before we start doing that.

Michael Marra: That would be good, but the context around this is that the record at the moment is significantly worse than it is in almost any other department in the whole UK civil service. I think that the figure is 10.8 days lost per person annually, and only a small department in Wales that has fewer than 100 staff has a marginally comparable figure.

On your point about Scotland's health record, the comparable figure for the Scotland Office is 6.9 days lost, which is below the figure for the civil service as a whole. Why is the Scotland Office so different from the Scottish Government?

Joe Griffin: First, a lot of Scotland Office employees are based in London. Secondly, it is a much smaller organisation. On the 10.8 figure, again, I think that there is some confusion there. This became public just this morning as I was preparing to come in, so I am not fully over the detail, but I think that that figure relates to a broader definition of the devolved civil service that we touched on earlier, which also includes agencies and public bodies. The figure for the core civil service is nearer 8.5 annual working days lost. That still needs to come down and we are working hard to do that. However, there is a bit of a discrepancy around those figures, which bleeds into the comparative data.

Michael Marra: On the difference between the 8.5 figure and the 10.8 figure, what is inflating the figure so significantly?

Joe Griffin: Again, this came into the public domain quite late on this morning as I was preparing to come in, so I am not sighted on all of the detail. Those are not Scottish Government figures. I think that the figures are produced at Westminster. My hunch is that it relates to a broader definition of the devolved civil service which includes a number of public bodies as well, but I do not know that for sure. If it would be helpful, I am very happy to explain it in writing later.

Michael Marra: There are an awful lot of public bodies to count, I suppose, in that regard. Can you

supply further information to the committee on that basis?

Joe Griffin: Of course.

Michael Marra: It is a matter of concern, not just in relation to the public finances, but in relation to the welfare of the individuals involved, which you just mentioned.

Joe Griffin: Yes, Mr Marra, and I completely concur with that, and we are focusing on what we need to do to improve it.

Michael Marra: Well, I hope so. Thank you.

Liz Smith: Permanent secretary, you will be aware that, in October last year, there was a bit of controversy about the fact that, at the same time as the Scottish Government produced its document about the future of pensions, a social media post was issued which said that

"independence would allow us to improve the pensions system".

Irrespective of whether you agree or disagree with that statement, do you think that it is appropriate that you, as the permanent secretary, signed off that post? Should you be doing that when you are in charge of an impartial civil service that has to work with a Government of any colour? Is that an appropriate action for the permanent secretary to take?

Joe Griffin: I think that that was a communications product of a much longer paper, which, again, was not produced in isolation. A number of papers were produced. The civil service is there to support the Government of the day. The point that you make about impartiality is important and one aspect of a pre-election period is that the civil service engages with opposition parties that wish to engage. That is an opportunity to demonstrate our impartiality and our preparedness to support a Government made up of whoever the electorate appoints, but we support the ministers of the day. On the specific point, that was a bit of communications collateral attached to a much broader range of papers, which are entirely a matter of Government policy.

Liz Smith: Do you understand, as permanent secretary, why there might be questions raised about that situation not standing up to the impartiality that we expect of the civil service?

Joe Griffin: I understand that it has been hotly debated. It has been a matter of agreement between successive people in my role and the cabinet secretary in London that the civil service is there to support the Government of the day. That communication was entirely in line with that. Of course, I understand that not everyone agrees with that characterisation.

Liz Smith: I am not sure that people will disagree about what was said. I am asking whether it is the role of a permanent secretary who is in charge of an impartial civil service to authorise that kind of political social media post.

Joe Griffin: I think that it was a statement of Government policy. I do not think that it was a party-political statement.

John Mason: I have just one area to ask about, which is public inquiries. As you probably know, the committee did an inquiry into inquiries and published a report. My question is whether timescales and budgets can be controlled. A specific case is that when the UK Government launched its inquiry into what are commonly called grooming gangs—networks of child sexual abuse and exploitation—it put a budget and time limit on it, but the Cabinet Secretary for Education and Skills was not keen to do the same for Scotland. Can you clarify the legal position and what powers we have in that space?

Joe Griffin: I cannot give specifics on the legal powers in that specific example. If I may, I commend the committee's work on public inquiries, because it has been of genuine value. I know that there was a debate in the chamber a couple of weeks back, with the Deputy First Minister leading for the Government, and the Deputy First Minister has agreed to update the committee in writing before dissolution.

The obvious tension that I can see from my technocratic standpoint is that inquiries often scrutinise the actions of the executive, so it is potentially problematic for the executive to be seen to be putting constraints on the scope of those inquiries. I hope that it is not an insurmountable problem. You have given the example of the UK Government doing something, but we are reflecting on these matters and the Deputy First Minister will update the committee, as promised, before 26 March.

John Mason: The Government funds other bodies that are pretty independent, such as Audit Scotland, His Majesty's Inspectorate of Constabulary in Scotland and HM Inspectorate of Prisons for Scotland. It therefore seems to be possible to create a set-up in which people have to work within fixed budgets but are still independent.

Joe Griffin: As I say, we are reflecting on that to see whether we can find a way through. The findings of the committee on the cost of public inquiries—and the uncontrolled nature of the cost that you describe—are compelling in the fiscal environment that we have been discussing this morning. We are open to thinking about whether there is a way through, rather than saying that it cannot be done.

The Convener: That concludes questions from the committee, but I have a couple of questions to wind up with. At the start, you touched on the national performance framework, which no one else in the committee did. Are we flogging a dead horse with the national performance framework? It does not seem to be the vehicle for the positive change in service delivery that we had hoped for. It almost seems as though buy-in is achieved only by dragging people kicking and screaming to the table. There does not seem to be any great enthusiasm for it.

This committee has done a tonne of work on the national performance framework. You probably know that Craig Hoy and Michael Marra had a visit to St Andrew's house to discuss it in some detail and where we go with it. How are we going to make the NPF something that really lives in the public sector? At the moment, it does not seem to.

Joe Griffin: I watched your meeting with Sarah Davidson, Professor Cairney, Ian Elliott and colleagues. I am of the school of thought that there is still great value in the NPF. I think that, at the very least, the symbolic statement that Government and public resources must work to achieve impact in the real world is an important governing principle. The committee might not believe it, but it is possible for Governments to engage in the occasional moment of introspection or a self-realising process. However, the point that the national performance framework makes that we must devote our efforts to achieving outcomes and impact is important.

I think that part of what we need is a vision that is, slightly counterintuitively, a little less holistic. If we have something that is too holistic and too general, it becomes hard to make decisions based on doing X as opposed to Y or prioritising Z as opposed to A. We talked about comparative approaches earlier on; a number of countries in the world have set a kind of meso-level strategy—a bit of jargon, perhaps, but it means something that sits between the high level and long term, and the short term.

It is very valuable for Scotland to be clear about the risks and opportunities specific to us that we will face in the years ahead. We touched on population health earlier, and I would also note the evidence that suggests that the economic opportunities of the renewables industry in the North Sea are absolutely vast. We need a sense of what the opportunities are, so that we can go full speed in behind them.

Therefore, I think it important that we have a vision that is more manageable and more specific to Scotland's circumstances, and then we need discipline within Government at those key moments where the NPF can really play its part. Early in the next Administration would definitely be one of those moments, and budgets would be another example where we would be self-consciously using it.

The final area that I would highlight is the tracking of performance, which, again, we have touched on implicitly over the course of the morning. The presence of indicators that tell us where we are, on the way to achieving outcomes, is very important. I want to ensure that future iterations of the consolidated accounts draw on the data sitting in the performance framework to give an objective account of the Government's performance. I am a believer in the NPF, if you like, but we need a thoughtful approach to it that emphasises utility, and which results in the thing actually getting used, instead of having something that is too much on the visionary side.

The Convener: Thank you.

I have to return to the issue of staff coming in to the office for 40 per cent of their working week. Frankly, I think that many people watching this would be bewildered that no monitoring takes place and that there seem to be no repercussions for people if they just ignore the policy of having to come in two days a week. I find that quite astonishing. When I think about my years in the private sector, I can just imagine what would have happened if I had told my boss that I was not going to be coming in. It just seems really bizarre to me.

What is the situation with the civil service in other parts of the UK? Does it follow similar policies, or is it completely different? Do those civil servants come in 20, 40 or 60 per cent of the time? Is there any monitoring or whatever? Where are we relative to other jurisdictions?

Joe Griffin: We are in a very similar position to Wales, as I understand it. I can check the detail, but certainly, at the point of formulation, we swapped notes and I think that around 40 per cent was the expectation. I do not think that it has the sort of hard edge to it that you have described. In UK Government departments, the figure is 60 per cent, I think, and it is monitored more rigorously.

I tried in my comments to Mr Hoy to explain the strategic context to all of this. If, ultimately, we want to go harder on this, it will trigger conflict within the organisation and with unions. We might well conclude that that is something that we wish to do, but we are not there yet. We want to continue to persuade people that this is a positive thing to do, and to work in partnership with them.

However, it will have to happen, and the data, incomplete as it is—and with the addition of anecdotal data and what we are seeing and experiencing on a daily basis—tells me that we are moving in the right direction. We will take stock

with an incoming Government after the election to see whether this is something we want to continue or whether we want to take an approach with a harder edge. However, that will come with consequences.

The Convener: The private sector is reducing the amount of working from home. *The Economist* had an interesting article, saying that, although working from home initially boosts productivity, it falls after six months, with a significant decline after a year or two. I have studied one person—myself—and I do not work anything like as hard when I am at home as when I am actually in my office, whether it be my constituency office or elsewhere. When I am actually at my desk, I can work for hours. Is any research being done on the comparative levels of productivity between the two modes of work?

Joe Griffin: Productivity varies, depending on the nature of the work. As Lesley Fraser mentioned earlier, there are many different roles in the civil service. We have 21 professions, and people are doing different kinds of work. It is easy to track this sort of thing if you are in a call centre-type job or if you are producing identifiable outputs, but it is harder if you are in a policy-making space. I do not think there is authoritative data on that across the piece, but I do know that the Office for National Statistics is looking at it.

Personally, I have no issue with anything that you have said about the desirability of this. I have just tried to explain the approach that we have taken, and our prioritising of a positive relationship with union colleagues. However, we will need to see the benefits that come from it, and it might well be something that we review after the election.

12:15

The Convener: Thank you. Before we wind up, do you have any final points that you want to make to the committee? Are there any areas that we have not touched on but which you would like us to have touched on, or is there anything else that you want to emphasise about the work of you and your team?

Joe Griffin: I sensed in the evidence session that I watched that there was a question mark for the future Parliament over the value and utility of a committee such as this. Various witnesses reflected on that and, if I may and if it is appropriate, I would like to offer my view.

There is real value to having a committee that looks specifically at public administration. I imagine that there will always be a finance committee of some description or other, but the focus, challenge and scrutiny that you have brought in the two sessions that I have had with you and in the sessions that you had with my predecessors, and the extensive work that you have done on the effectiveness of decision making, the national performance framework and so on, are of real value. I assure you that we in the professional civil service read what you produce and take it on board, and it plays into our work. I would therefore sound what is probably a note of gratitude and, if it is not inappropriate for me to say so, I think that there will be customers for this kind of work sitting in professional government in the future.

The Convener: Thank you. I think that many of your responses today have been very helpful to the committee in clarifying a number of areas, but I have to say that I—and, I am sure, colleagues—have felt an element of disappointment that there has been a wee bit of a-ducking and a-diving and a-bobbing and a-weaving with regard to some of the numeric issues that we have asked about. I realise that you might feel that you are between a rock and a hard place when it comes to the issue that I just raised of people coming back to work, but these are issues that the public and others are generally concerned about. I would hope that you realise that, when we ask questions specifically about numbers, it is quite frustrating not to be given a specific number or even parameters. That has come up a number of times today. I hope that, in future and in some of the follow-ups that we will get to what has been discussed today, we will get a wee bit more clarity on those things. It helps everyone if we can get direct answers to direct questions, wherever possible—and if it is not possible at the time, I hope that there can be some follow-up.

Joe Griffin: It was my intention to respond candidly and openly to the best of my ability, and I am sorry if some of the questions did not involve that. I will look liberally at those areas where we were not able to provide the numbers that you requested and provide a full written response to each of them. However, my intent was to be entirely candid and open with the committee.

The Convener: You were candid, but I think that you felt that you could not go as far as the committee wanted.

Thank you very much for your evidence. There will be a short break before we go on to the next item on the agenda.

12:18

Meeting suspended.

12:20

On resuming—

Subordinate Legislation

Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2026 (SSI 2026/97)

The Convener: The next item on our agenda is an evidence session with Ivan McKee, the Minister for Public Finance. The minister is joined by two Scottish Government officials: Jonathan Waite, aggregates tax bill team leader, and Ninian Christie, who is a lawyer. I welcome you all to the meeting and I invite the minister to make a short opening statement. Good afternoon, minister.

The Minister for Public Finance (Ivan McKee): Thank you, convener.

The Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2026 sets the rates of Scottish landfill tax that will apply from 1 April 2026. These rates are fully consistent with those announced in the Scottish budget 2026-27, as published on 13 January.

The order provides that the standard rate will increase from £126.15 to £130.75 per tonne. The lower rate, which applies to less-polluting inert materials, will increase from £4.05 to £8.65 per tonne. The updated rates reinforce the Scottish Government's commitment to our circular economy and climate ambitions by strengthening the financial incentives to reduce landfill and to support more sustainable resource use.

I am happy to take any questions.

The Convener: I have one question, and it is probably one that you would anticipate—I have certainly asked it before. When is the Scottish Government going to decouple from the United Kingdom and have either higher or lower rates, depending on what is in Scotland's interests? It seems an almost lazy way of doing it, just to copy the UK on the basis of a myth that, if the rate is a pound higher or a pound lower, truckloads of waste will get shipped over the border. I do not think that there is any evidence for that.

Ivan McKee: There is clearly a point at which that becomes an issue, but we would not expect it to be an issue at lower levels. This year was a bit specific, if I can put it that way, in how the process worked out. The UK Government consulted on landfill tax and had produced proposals for combining the two rates over a number of years. Under those proposals, the lower rate would have increased substantially over a number of years to eventually match the higher rate.

When the UK Government published its budget, which was quite late on, as you know, it did not go ahead with that proposal; it reversed its decision. Instead, it decided to increase the lower rate by more than 100 per cent from what it had been in the previous year. Clearly, that gave us not very much time to reflect on what the UK Government had initially proposed to do, which is what we thought it would have done in its budget, and on what it decided to do, which was to make what was still a significant increase.

Given the number of moving parts at that stage, we decided that it made sense to see what the levels looked like this year, with a view to making some considerations in relation to the direction of travel of the UK rates when deciding what to do for next year.

It is not that we are not listening to what you are saying, but the way that the UK Government moved on the matter made it difficult for us to make a sensible assessment of the impact of any changes.

The Convener: I am not convinced that that would be particularly difficult. There have been years in which to get this right, if we are honest. I would have thought that the rate would be set at the optimum level for Scotland, rather than just saying, "We've only had a few weeks to think about it." Surely you have had the whole of last year to think about it. Whether the UK puts the rate up by X or Z, we should be setting the rate at Y, if that is in Scotland's interests.

Ivan McKee: If the UK Government had been on the trajectory that it had initially proposed, which was to match the two rates over a short number of years, there would have been significant increases in the UK rate, far in excess of the changes before us. For us to have put our rates up by even more than that would have required serious consideration. The fact of the UK Government being on that trajectory would have meant that the gain in the Scottish context would have been minimal.

The fact that the UK Government changed to a different mechanism at the last minute, which we had not expected, meant that we could potentially have put something on to that rate. We considered whether it was worth doing that but, given that it was going up by more than £4—that the UK Government was implementing a scale of increase of more than 100 per cent—we thought that, on balance, it made sense to wait and see how that settled out before we made any other changes.

The Convener: Have you spoken to the UK Government about getting earlier sight of such changes in the future?

Ivan McKee: We are constantly engaged with the UK Government on getting earlier sight of all manner of things, including this.

The Convener: But not this.

Ivan McKee: Including this. We are obviously keen to get earlier sight of any changes that the UK Government makes in this regard. It will go through quite a tight process in what it is announcing in its budget process—or at least we would expect that. Given the indications that something different was going to happen, we had not anticipated the change to the model that we are now considering in the budget process.

The Convener: Thank you very much for that. No colleagues have indicated that they wish to ask questions. We therefore turn to agenda item 4, which involves formal consideration of the motion on the instrument. I invite the minister to move motion S6M-20861.

Motion moved,

That the Finance and Public Administration Committee recommends that the Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2026 (SSI 2026/97) be approved.—[*Ivan McKee*]

Motion agreed to.

The Convener: We will publish a short report to the Parliament, setting out our decision. That concludes our deliberations on the instrument. Thank you very much, minister.

12:27

Meeting continued in private until 12:30.

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

Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

All documents are available on
the Scottish Parliament website at:

www.parliament.scot

Information on non-endorsed print suppliers
is available here:

www.parliament.scot/documents

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000
Textphone: 0800 092 7100
Email: sp.info@parliament.scot



The Scottish Parliament
Pàrlamaid na h-Alba