



Official Report
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DRAFT

Public Service Reform Committee

**Comataidh Ath-leasachadh
nan Seirbheisean Poblach**

Thursday 3 September 2026

Session 7



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Thursday 3 September 2026

CONTENTS

	Col.
DECISION ON TAKING BUSINESS IN PRIVATE	1
DELIVERING PUBLIC SERVICE REFORM	2

PUBLIC SERVICE REFORM COMMITTEE
3rd Meeting 2026, Session 7

CONVENER

*Bob Doris (Glasgow Kelvin and Maryhill) (SNP)

DEPUTY CONVENER

*Michelle Campbell (Renfrewshire North and Cardonald) (SNP)

COMMITTEE MEMBERS

*Max Bannerman (Highlands and Islands) (Reform)

*Joe Fagan (South Scotland) (Lab)

*Murdo Fraser (Mid Scotland and Fife) (Con)

*Alex Kerr (Hamilton, Larkhall and Stonehouse) (SNP)

*Lorna Slater (Edinburgh Central) (Green)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Stephen Boyd (Institute for Public Policy Research Scotland)

Stephen Boyle (Auditor General for Scotland)

Dr Claire MacRae (University of Glasgow)

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Public Service Reform Committee

Thursday 3 September 2026

[The Convener opened the meeting at 10:15]

Decision on Taking Business in Private

The Convener (Bob Doris): Good morning, everyone, and welcome to the third meeting in 2026 of the Public Service Reform Committee. I hope that you have all had a good and positive recess, and I welcome everyone back.

Our first item of business is a decision on taking business in private. Do members agree to take items 2, 3 and 5 in private?

Members *indicated agreement.*

The Convener: Thank you, everyone. That concludes agenda item 1. We will return to public session for agenda item 4, but for the moment, we will move into private.

10:15

Meeting suspended.

11:30

On resuming—

Delivering Public Service Reform

The Convener: Good morning again, everyone. We now move back into public session for agenda item 4, which is an evidence session on delivering public service reform.

I welcome to the meeting Stephen Boyd, director of the Institute for Public Policy Research Scotland; Stephen Boyle, Auditor General for Scotland; and Dr Claire MacRae, senior lecturer in public policy at the University of Glasgow. I thank all three of you for supporting our scrutiny work here this morning. If anyone wishes to make some opening remarks, they are more than welcome to do so.

Stephen Boyle (Auditor General for Scotland): Many thanks to the committee for inviting me to join you this morning. It is my view that the need for reform and transformation of public services in Scotland so that they are sustainable, effective and responsive to the needs of people across the country who use them has never been more important. I very much welcome the chance to engage with some of those topics with the committee this morning.

Through my audit work, as with that of my predecessors, Audit Scotland has repeatedly shown that the Scottish Government is effective at setting out its vision and producing clear strategies, frameworks and plans, but the harder part has been translating those intentions into delivery. Service reform has long been talked about, but we have not thus far seen clear, consistent examples on the scale that we saw with the creation of Police Scotland and the Scottish Fire and Rescue Service in 2013.

The actions that the Scottish Government has taken on reform in the past few years, and thus far in this parliamentary session, most notably through the programme for government and further public service reform, are welcome and essential, but the hardest part is probably yet to come. We have typically seen more short-term measures that have helped balance the Scottish Government's annual budgets, rather than fundamental changes to how services are delivered.

I have audit work under way that is planned to report to the Scottish Parliament on the efficiency of public services and how that relates to public service reform programmes. In May, we will report that work to the Parliament, but given the programme for government announcements, we are taking stock and are keen to engage with the detail of what is planned for public service delivery

and to factor that into an updated programme of public audit, which we will report to the Parliament during 2027 and beyond.

The Convener: Thank you. I think that Claire MacRae is happy to go straight to questions, but do you want to add anything, Stephen Boyd?

Stephen Boyd (Institute for Public Policy Research Scotland): Like Stephen Boyle, I am absolutely delighted to be here today and to have the opportunity to discuss such crucial issues with the committee. Public sector reform, or public service reform, is likely to be the defining issue of this parliamentary session.

IPPR Scotland's recent report, "More for less? Employment, productivity and reform in Scottish public services", opens by arguing that

"Excellent public services should be foundational to a flourishing society."

That is very much our starting point in the conversation.

However, there is currently widespread dissatisfaction with the services that are delivered by the devolved public sector and understandable concerns about their future viability, and we really need to have a mature national conversation about those issues. At IPPR Scotland, we worry about much of the current discourse, which often lacks substance and is built on statements that are very often strongly expressed but based on the flimsiest of evidence, particularly around employment, pay and productivity in public services.

We also think that expectations of what can be achieved through, for instance, consolidation of public bodies can be wildly optimistic, and assumptions about how technology might reduce costs often fail to account for the intrinsic labour intensity of the services that are delivered by the public sector. We also worry about the Scottish Government's policy framework, which, although well intentioned, is somewhat incoherent and contradictory. I very much look forward to discussing those issues with you.

Public service reform is a very broad-ranging subject. I am quite confident about discussing some areas, but am less so about others. I will be as open as I can through these exchanges.

The Convener: There is so much to consider with public service reform. The heft and range of Tuesday's announcements regarding public service reform were substantial, and we will come on to all of that in a moment. However, first, are there any concrete examples of where public service reform has been done successfully, even on a small scale, since the police and fire service reform that Mr Boyle spoke about? Can you give us some confidence that the Government has

delivered successful public service reform in the past 10 or so years?

Stephen Boyle: In my opening remarks, I talked about scale. The scale of police and fire service reform is akin to what is being suggested in the programme for government in terms of the changes to national health service boards and local government structures.

Following the changes to the police and fire services, it took a long time to evidence the benefits of that scale of reform, especially for police services. His Majesty's Inspectorate of Constabulary and I did what we call a best value report on policing in Scotland, which we published at the beginning of this year. It talked about the fact that some of the benefits are only now being realised and that there are still further challenges to be addressed. A theme that I will return to in much of today's session is the need for a clear plan of implementation of public service reform.

There is a need for lessons to be learned from cases in which reform has taken longer than anticipated, but we also need to harness the examples of cases in which things have gone better. For example, we could point to some of the progress that Scotland's colleges are making in terms of public service reform. Audit Scotland has done a lot of reporting on Scotland's college sector, where there are undoubtedly financial pressures. As a bit of a teaser, our latest annual report on the sector, which will be published in the next week or so, explores the experiences of students and staff and determines that there are ups and downs. That is an example of a sector that is transforming its offer. There is still some work to do, but it has shown how it can sustain its service delivery model, even in the face of some difficult challenges. I can come back in with some other examples, but that is the one that immediately springs to mind.

The Convener: That is helpful. It is an example of positive reform, with some significant caveats.

Dr Claire MacRae (University of Glasgow): I would echo those points with regard to the progress that has been made and the scalability of some of the reform. For me, however, the issue is more about the barriers that we are facing and, in the long term, what is preventing that reform from taking hold and becoming commonplace at scale. Some of the work that the centre for public policy has been doing with our partners has highlighted where some of those structural issues and barriers present themselves in terms of how people can work together. Although the PSR strategy provides a fantastic foundation for that, what is important is the implementation.

We are just at the end of a project, called the state of poverty, which explored poverty and

inequality in Scotland from a governance perspective, trying to understand the structures within which we operate, how we set our policies, how we set our budgets, how we decide what we are going to do in terms of public services and offerings, and where the barriers and silos are and what we need to do to address them. The strategy provides a foundation for work on that, but what is coming out of our research is that those barriers still exist, and they challenge the progress that our PSR strategy has achieved to date.

Stephen Boyd: I have very little to add. There are interesting things happening out there on the ground in public services, and I think that the Scottish Government's public service reform strategy runs through some of them. An example that is often quoted in that regard is the approach to whole family support that has been undertaken in Glasgow. It is not an area that I feel particularly confident about discussing or one that I have been particularly close to, but practitioners refer to it regularly as an area that is already achieving better outcomes and which has significant potential to improve even more in the future.

The Convener: That is helpful as a scene setter. The word "scale" has come up consistently. The scale of the fire service and Police Scotland reform aside—perhaps Scotland's colleges would be another example—scalability has been a challenge and, if it takes place, moving from 14 health boards to two health boards is quite a significant reform. It also sits alongside Stephen Boyle's report on the state of the NHS, about headline policy aspirations not always matching delivery on the ground.

Mr Boyle, I think that it was in your December 2025 report that you said that there was poor evidence of a shift from acute into community care and treatment. The programme for government included increasing the number of hospital at home beds to 10,000, but at the same time, the NHS will have to move from 14 to two health boards. Is it possible to do the organisational structural change, which is bureaucratic in some respects—changing from 14 to two health boards—at the same time as doing the on-the-ground work that needs to be done to shift moneys and reform from acute into community care? Do you have any confidence that that can be done? What are the challenges around that?

Stephen Boyle: The aspiration to realign health and social care services to a community-based preventative model has been around for years, so these are not new ambitions.

The ambition is and remains clear, and there is plenty of evidence that I suspect my two colleagues would be better placed to talk about on why a preventative-based model delivers better

outcomes. From my perspective, we have seen a lot of evidence that it is also a better use of public money. People can thrive in their communities and stay healthier for longer outside of a hospital setting. However, as a society, we have not delivered on that ambition to any great scale. Indeed—this might be of interest to the committee—I think that how we budget and how we allocate resources will be pivotal to the success of implementing the scale of public service reform and the programme for government. It may be that you are allocating resources to a model that you want to move away from. From our perspective, that illustrates why it is vital to have both annual and medium-term financial planning, so that a direction of travel is set out for the programme of change.

Most fundamentally of all, it is about having a clear plan. Public service reform and structural change can happen. It has been a while now—it has perhaps not happened in many of our working lives—but structural change has happened. In the mid-'90s, with local government reorganisation, we moved from regional and district authorities to the 32 unitary authorities that we now have. In the early 2000s, we moved from having NHS trusts into the creation of the territorial health boards.

However, I accept the premise of your question, convener. Implementing the scale of public service reform in terms of the wider preventative-based model, including hospital at home and tackling child poverty, at the same time as implementing structural change is a significant undertaking.

The last thing that I will say is that Audit Scotland has regularly acknowledged the scale of the ambition, but perhaps some of what is necessary is the fundamentals of programme management, project management and implementation—setting out what the milestones will be and how you will measure and evaluate success so that people have a clear understanding and there is appropriate transparency around a programme of this scale. That is very much what we are thinking and that is what we are planning to factor into our programme of audit work.

The Convener: That is helpful. Before I bring in other witnesses, I will just roll in one final question, because I want to bring colleagues in on this as well. In terms of measuring outcomes, what does success look like?

Committees might want to consider what a successful outcome might look like. If we take health as an example, one measure of success might be an organisation having 8 per cent fewer senior managers and saving £X million. However, from their perspective, communities might consider success to be community-based and preventative interventions that are delivered

locally and are attentive to their needs. We therefore need clarity from the Government on how both those outcomes will be measured. One should not take priority over the other. In particular, the outcomes in relation to financial savings and organisational sustainability should not take precedence over the kind of healthcare system that we want.

11:45

What outcomes would you like to be measured as the reforms progress? This committee will be keen to ask those questions not only in relation to the NHS, but in relation to local government, environmental services and wherever else reforms are under way. What outcomes of community benefit should we be measuring?

Stephen Boyd: The starting point should be better health outcomes. If we are talking about the delivery of public services, the benefits to end users should ultimately determine what we are trying to achieve in Scotland. Focusing on the removal of a tier of middle management and attaching a financial saving to it is meaningless if that does not result in better outcomes for service users.

To track back to your previous question, there is real concern about how we go about the whole structural reform and consolidation process, what the aims are and how we measure the effectiveness of what we have done. In the past, when we have looked at structural reform in public services, we have tended to underestimate the costs of creating new public bodies and overstate the potential savings. Stephen Boyle's predecessors at Audit Scotland have done some really good work on that.

When embarking on this structural reform, we must be clear about what it means for service delivery and how it will improve services. If the starting point is to make it all about initial financial savings, that could simply create costs in the future. We must be very careful about how we embark on that journey.

Dr MacRae: There are a few things to address when determining how to measure success, particularly when it comes to prevention. As we all know, prevention is the longer-term impact that you are striving towards and the costs of that might not be felt for a number of years. We should be cautious about assuming that quantitative measurements alone will indicate success, particularly when a lot of the preventative policies that are implemented are not necessarily quantifiable. Success might be reflected in communities engaging more or in connections between changes in one area, such as education,

and reduction in demand in another, such as social work.

If you look at the indicators within siloed departments, for example, that is really challenging, because prevention often does not have an immediate impact on a single policy area and can have effects across multiple areas. A lot of work is being done on prevention in public health, and a great deal of that is coming out of the Scottish Government's prevention unit.

One of my concerns about prevention and preventative budgeting is how to define them. We could all look across policy areas and departments and tag prevention in some way, shape or form. There is always some intended outcome. However, if we focus solely on prevention and adopt quite a broad definition, there is a risk that, without prioritisation, everything becomes prevention and the term loses meaning in terms of how we drive the agenda in the public service reform strategy.

That is a huge question to address. Any approach must also consider qualitative indicators and measures of outcomes for communities. There cannot be a sole focus on money or cost savings. That alone would not be helpful in that regard.

The Convener: That is helpful. I think that Murdo Fraser wants to come in at this point.

Murdo Fraser (Mid Scotland and Fife) (Con): I want to ask a follow-up question about money, seeing as both of you have just mentioned that. The Scottish Government is quite clear that public service reform is about two things: better services for the public and saving money. We are very conscious of the background to the reforms, namely the potential fiscal gap of £5 billion by the end of the decade.

There is very little in the programme for government about costs or potential savings. Do you have any perspectives on that? Stephen Boyd has hinted at the experience of previous reforms, such as those involving Police Scotland and the Scottish Fire and Rescue Service. What can we learn from those about what the potential savings might be from what is proposed in the programme for government?

Stephen Boyd: Looking at the macro level, the fiscal gap that will have to be dealt with in this session of Parliament is significant—it is real and immediate, as we describe it in our recent report on the issue. Our concern is that the debate is currently being undertaken on the assumption that public service reform in itself can fill that gap. We are massively sceptical that that is the case. The lack of detail that we had the other day and, indeed, that we have had across the debate over

the longer term is why we are very sceptical that that will happen.

There was a lot of talk about jobs the other day. In the immediate reaction to the programme for government announcement, most of the media focused on potential job impacts. The Scottish Government has a head count reduction target of 0.5 per cent over the next four years, but there is no plan attached to how that will be achieved. As far as we have had any sense from ministers about what the approach will be, we think that it will involve natural attrition, which is an incredibly inefficient way of meeting the target.

I know that I am answering your question in a slightly circular way. The public service reform strategy in itself is largely laudable and well intentioned. The wider policy framework is currently not designed to realise cost savings of the scale that the Scottish Government will need to achieve over the next few years.

Stephen Boyle: Murdo Fraser asked how we measure progress. You need to set a baseline, whether it is the coming financial year or the current one, and then, with the detail that now needs to come from the programme for government and the public service reform approach, track the impact of the different initiatives. There is complexity. I very much agree with Claire MacRae that, given how we allocate money, it could be challenging to get the cohesive and partnership-led approach that will be necessary. The convener alluded to the example of social care, which has been a long-standing issue. If social care arrangements are to change, whether that involves hospital at home or tackling delayed discharges, that will need to be done across many different organisations.

The scale of the fiscal gap is clear and has been set out in the Government's medium-term financial strategy. The update to that will be really important. The public service reform strategy needs to be mapped to the medium-term financial strategy and the annual budget, and, perhaps most importantly, the national outcomes. In the refresh of the national performance framework and national outcomes, there needs to be a cohesive link between all those so that all organisations in the public sector know what they are aiming to deliver.

There needs to be transparent reporting so that this committee has a clear understanding of what progress is being made and what iteration needs to happen. I am certain that iteration will have to happen. With a programme of such size and complexity, it will not all go to timescale. Some of it will not happen as intended, and some of it might go wrong. However, if the direction of travel is clear, that will allow bodies and leaders to have

that gold star—although I am not particularly fond of that phrase. It is about setting out what we are planning to do and how we are going to get there.

Murdo Fraser: To sum up, we need more detail from the Scottish Government on what savings will be achieved and by when.

Stephen Boyle: Agreed.

Murdo Fraser: Claire, do you want to add anything?

Dr MacRae: No. I was going to mention the national performance framework, which is probably underutilised in terms of its link to the PSR strategy. That would be a really useful alignment.

The Convener: I want to give a running order of bids that I have for supplementaries. This is our first full evidence session, and we are just feeling our way as a new committee, but I am conscious of the time. The Auditor General has to leave around half past 12, and I am keen for him to be here for as many of the questions as possible.

We have had bids for supplementaries from Alex Kerr, Michelle Campbell and Lorna Slater in that order, and Max Bannerman is supposed to be next. I am in members' hands. Please be brief. This is the first evidence session, so I am not going to squeeze anyone out—that is not my intention—but I am mindful of the time.

Alex Kerr (Hamilton, Larkhall and Stonehouse) (SNP): With regard to public service reform, prevention and preventative spend are one aspect that I am really focused on. It was interesting to hear Stephen Boyle speak about colleges' experience of reform and the issue of protecting services while the reform is carried out, as well as the impact of investment in prevention.

Dr MacRae, you spoke about the structures and how they embed silos. If a politician or someone at board level is not able to see the difference that an investment will make on a budget line, how are they supposed to make investments that give money to the third sector or to communities to help to deliver a service that could not be delivered at local government or Government level?

The Scottish Government has done an interesting pilot on preventative spend, and the programme for government mentions the Scottish prevention investment framework. It would be interesting to get your thoughts on that and what you would like to see in it. Have you had a chance to look at the pilot? Without being able to measure the impact of an investment, it is really difficult to determine whether it has been successful.

The Convener: These comments are not directed specifically at you, Alex; they are for all members. Supplementary questions are supposed

to be just that—supplementary to the initial question—because, otherwise, other members who have their questions to ask will get squeezed out. I say again that these are our first public evidence sessions, and we are just feeling our way.

Stephen Boyle: I am happy to start. First, I acknowledge that tracking, monitoring and identifying the impact of preventative spend is complicated and hard. You are right to reference the initiatives that the Scottish Government has under way, which are welcome. We will think carefully about how we undertake our audit, which we are planning to report on next May, on how, ultimately—this is not a phrase that everybody particularly likes—savings are being identified, measured and monitored.

In effect, there are two types of savings: longer-term efficiency-style savings and cold, hard cash savings. Far be it from me to suggest this, but differentiating between the two is going to be important as the public service reform strategy is implemented. I agree that it is absolutely the case that preventative spend will augment and offset some of the planned programme of spending over the years to come, to go back to Claire MacRae's point, and the benefits will not necessarily accrue from the spending line, either. It is a case of finding the loop, tracking it and monitoring it.

I do not think that any of these challenges are insurmountable, but it will also be important for the Scottish Government to think, with other public bodies, about some of the accountability arrangements: how are incentives for public sector leaders operating, as they deliver public service reform, address fiscal challenges and deliver a more preventative model? Sometimes, the accountability arrangements can be quite direct, particularly, outside local government, for accountable officers, who will have a very clear responsibility, as will their boards. Often, that can be done on an organisation-by-organisation basis, but the success of the strategy will not come from all organisations just doing their own thing. Accountability must evolve, so that prevention and cash-flow savings are given parity to successfully deliver the programme.

Dr MacRae: I echo what Stephen Boyle said: the process must be incremental. From some of the discussions about prevention and preventative budgeting, I can see that progress has been made quite quickly in the past year—frameworks and toolkits have been developed, and pilots have been conducted to implement those—but it is not necessarily the answer to jump straight into tagging budgets as preventative and asking where we invest in prevention. Accountability structures, funding arrangements and partnership working also need to change, because those are the

foundations that need to be implemented, through governance arrangements, across institutions, portfolios and departments, before we can truly start to have discussions about prevention and begin to map out where preventative spend is having an impact.

12:00

That is very complicated, because the impacts will extend across numerous policy areas, which is what we want, but some impacts might not be felt, whereas some might be felt immediately. My worry is always about our focus being only on cost savings in the short term. I completely get the point about how we can make investment decisions if we cannot see the impact. However, taking an incremental approach and changing some of the fundamental governance structures will enable us to create a true framework for preventative spend and prevention.

Stephen Boyd: I will make a couple of general points on prevention. For the report that I mentioned earlier, we interviewed a range of public service and civic leaders, academics and trade unionists in Scotland. The degree of consensus and good will in relation to the preventative agenda is quite unusual in Scottish society. That presents the Scottish Government with an opportunity to build on that good will and consensus by doing creative things on prevention.

However, there was a pretty strong caveat. Most of the people who were closest to the ground in delivering services believed that up-front spending was required to deliver the preventative agenda effectively. We need to recognise that, if we want to do prevention well, there are likely to be costs in the short to medium term.

Michelle Campbell (Renfrewshire North and Cardonald) (SNP): Thank you for your contributions so far. My supplementary question is about building public confidence and the cultural shift that is needed. Stephen Boyle mentioned that, although previous changes might have resulted in benefits, the public might not necessarily have been brought along with those changes. What are your thoughts on the opportunities for the Government to get this right in the short, medium and longer terms?

The Convener: Claire MacRae, do you want to come in?

Dr MacRae: On you go, Stephen.

The Convener: You are so well mannered.

Stephen Boyle: If I am being honest and up front, how best to build public confidence is probably not my area of expertise, but I cannot help but think that transparency for the Parliament

and the public will really matter to the programme's delivery. There should be clarity about what will be achieved, not just during the annual budget-setting cycle—I appreciate why the Parliament has to go through that process—but in the short to medium term. What are budgets going to look like, and what will that mean for services? There needs to be clear and consistent communication to the Parliament and the public.

I will stop at that point. Consistency and transparency will be the hallmarks of the programme's success.

Dr MacRae: I agree with the point about transparency. Part of that involves participation and bringing communities along with the agenda. There are already key mechanisms, such as participatory budgeting, that could be used to engage with communities. A few years ago, I was involved in the evaluation of participatory budgeting. The emerging findings from that showed that, when we have frank, honest and transparent conversations with communities and individuals, we get really good participation, and people understand the challenge relating to the fiscal gap and the delivery of public services. In many ways, those people are often best placed to advise on the best way to spend money in their communities. I would consider the existing levers and structures that could be utilised to engage with communities through participation.

Stephen Boyd: I think that the language that we use in the debate is important in building public confidence. I personally do not love the word “reform”, because I think that people tend to look at reform as something that has been done to them rather than with them. I would prefer us to talk about public service improvement, which is what we are trying to achieve. We need to remember that the 22 per cent of the workforce who are involved in delivering those public services are also consumers of those services. To achieve effective reform, we need to bring that workforce along with us.

The public service reform strategy is quite good in that respect. It is very open about the important role of the workforce, but some of the associated documents are less so. Productivity is mentioned once in the public service reform strategy but 39 times in the spending review. What is the approach? Productivity is a terrible frame for trying to bring workers along with you. They tend to think that it is a proxy for job losses, pay cuts and work intensification. We all need to be careful about how we frame the challenge and what we are trying to achieve.

Lorna Slater (Edinburgh Central) (Green): You said that the public service reform programme is not going to realise the cost savings. What would

have to look different in order to achieve those savings?

Stephen Boyd: The public sector delivers labour-intensive personal services such as health and education. If you really want to save money, you have to lose people from the delivery of those services or you have to pay them less, or both. The challenge for the Government is that, given the intrinsic labour intensity of those services, doing that without affecting the quality of the service and the outcomes that they can deliver is extremely difficult, if not impossible.

Even in relation to what appears ostensibly to be a not-so-challenging target for head count reduction of 0.5 per cent a year over the next four years, when you look at what that really means—assuming that there will be some growth in health and social care—you see that those job losses are likely to be applied in certain services that are not particularly helpfully described as back-office functions. That has an impact.

I do not believe that the fiscal gap will be closed over this session of Parliament through public service reform measures. If it was, I would worry about what that would mean for the quality of those services.

The Convener: We come to Max Bannerman, who I thank for his patience.

Max Bannerman (Highlands and Islands) (Reform): Thank you. Good morning.

I want to pick up on the theme of transparency, which Mr Boyle raised. Transparency is very important for the broader programme of public service reform, but it is also important in enabling the committee to examine how that programme is implemented and to look at the Government's work in that area.

On that theme, would you agree that, with the programme for government having been published this week, there is a bit of a discrepancy on detail? We hope to see that detail soon. Do you agree that, before the process begins, the baseline costs, implementation costs, expected cash savings and measurable outcomes should be published for every major reform? I am interested to hear your thoughts on that.

Stephen Boyle: You are right on a couple of points. The detail really matters for planning for success in terms of how public service reform will be implemented. Whether it will contribute to addressing the fiscal gap needs to be set out, whether that comes through the budget at the start of December or the medium-term financial strategy. It would also be helpful to see a refresh of the public service reform strategy and to be provided with specific details of the workstreams that need to be delivered. Those are the

appropriate levels of transparency for the work of this committee, so that you can discharge your scrutiny role, and so that Parliament and the public can see what is planned.

To address a related point, another key aspect of planning for success will be the provision by the Scottish Government of a strategic workforce plan, so that it can set out how it intends to deliver those services. Stephen Boyd is right to say that those are very much person-led service delivery models, so we need to think about what people will be needed.

As I said earlier, not all of that will be known. Another part of the public service reform approach is, quite rightly, digitisation. There is an inevitability to certain aspects of that, but sitting alongside it is what it means for the fiscal position—that is, the cash savings, the preventative spend and so on. It is complicated—I understand that—but that complexity will be eased with regular transparent reporting.

On the question about baselines that you finished with, I think that baselines really matter, because they provide an appropriate mechanism for tracking and monitoring progress.

Max Bannerman: Thank you.

If no one else wants to comment, I will move on to my supplementary. What should the Government publish so that we, as a committee, can distinguish genuine cash savings from cost avoidance or simply moving expenditure elsewhere in the Government?

Stephen Boyle: I guess that it is probably for the Government to say how it is going to satisfy transparency and scrutiny requirements in implementing the public service reform strategy. Of course that is for the Government to decide, but, as I mentioned in my earlier response, I think that an updated public service reform strategy, along with the medium-term financial strategy, feels like an appropriate mechanism to allow the public to engage and the Parliament to scrutinise. Inevitably, there will be a range of other documents, but consistency of reporting and having consistent baselines to track and monitor things are really important themes and are necessary when it comes to effective programme implementation, especially with a programme of this scale.

Max Bannerman: Mr Boyd, you were quite open about your view that we should be looking at more than just fiscal rationalisation and that this is a bigger issue. What is your view on what opportunities there are to look at duplication, shared services, procurement, property and administration? Have they been exhausted? Is there more that we could do on that front?

Stephen Boyd: I remember sitting in one of these rooms nearly 20 years ago, talking about shared services. It was going to be the big thing that would save Scottish public services into the future, and a lot of work was done on it at the time; Tom McCabe was the finance minister—it was that long ago. The fact that we have not realised very significant savings—we have certainly not stopped the continually rising costs in public services—as a result of that agenda probably points towards the limits of what such an approach is likely to achieve.

Max Bannerman: Can I open that question up to you, Dr MacRae?

Dr MacRae: Conversations have continued about shared services and what that sort of thing looks like now, but I think that there is a lot of work to be done in that respect.

Max Bannerman: I will come to you directly with my next question, Dr MacRae. Given all the years of discussion that we have had, as Mr Boyd has said, and despite the fact that this conversation has clearly been going on for the 15 years, I think, since the Christie commission reported, why do so many organisational and budget silos remain? I would be interested in your view on that and how we as a committee can tackle that, now that we are looking at it with a fresh pair of eyes.

Dr MacRae: It is very disheartening to sit here and still be talking about the implementation of the Christie commission recommendations and the progress on them to date. It was an extremely leading development at the time. Indeed, Scotland leads in a lot of areas such as community empowerment, participation and everything else that the commission set out to achieve.

In my view, what did not change—and what needed to change alongside it—were the structures. I talked earlier about the recent research that we have conducted; at the start of the year, we held what we called the stop/start conference, in which we looked at what we might have to stop in order to start engaging with public services, given the fiscal environment. A lot of challenges remain with organisational structures, budget-setting processes and accountability measures.

When I speak to people in Government, policy makers and decision makers, they tell me straight away that, although they might have a desire to make a simple change and do something differently, the structures will not allow them to do that. When it comes to sharing services and budgets and looking at ways in which people can work together more, the fact is that things have not changed in the past 15 to 20 years. Until those structures change—and our most recent research, which we are concluding at the moment, says that they are still the same—they will remain the

biggest barrier to some of the changes that need to happen if we are to enable the pillars of the Christie commission.

Max Bannerman: Do I have time for one more question?

The Convener: I will take you at the end if we have time.

Alex, you had bid for a supplementary question, but you are next up anyway. Can you keep your question relatively tight so that other members can get in, please?

12:15

Alex Kerr: Conveniently, I want to ask about siloing, which has been touched on a little bit so far.

Stephen Boyle, you touched on the nature of accountable officers and the different bits of governance that are in place, and how someone makes a saving in one section but the money does not come back to their budget. What is in it for them, so to speak? Therefore, I have a specific question for you: is there space here for Audit Scotland and the Accounts Commission in reviewing budgets to remove the perverse incentives that are built into the system?

My question for everybody else is this: how do you see those silos being broken down, particularly in relation to what is going on with structural change in the programme for government?

Stephen Boyle: We are starting from a good place when it comes to tackling some of the silos. Scotland is not a particularly large country, and when it comes to the connections between public bodies, it is pretty well established that there are plenty of fora or groups in which the leaders of those public bodies engage. As colleagues have touched on, I think that there is a collective will and a shared understanding of the importance of prevention.

I do not massively subscribe to the narrative that the situation is somehow insurmountable and that the accountability arrangements are so embedded that they prevent shared working arrangements. I would perhaps say that it is less for Audit Scotland and more for public bodies and the Scottish Government itself to have a clear outcomes framework in place, and that can be done through the refresh of the national outcomes that map organisational delivery, its targets and its successes on a more shared basis.

I recognise that, if the aims are successful, some of the arrangements will no longer be needed. That will be hard and deeply personal for some organisations and some leaders. I am sure that it

felt that way for some organisations when the programme for government was announced. If reform is successful, the scale of money that is involved in many of those organisations will perhaps shift. However, as I said, we are starting from the right place, and there is a shared understanding and will to deliver reform. At the risk of repeating one of my earlier responses, it is consideration of the detail that is now necessary.

Lastly, from Audit Scotland's perspective, the phrase that we have developed internally is that we will never be the barrier nor the driver of public service reform, but we will give an honest, evidence-led commentary on its progress.

Dr MacRae: With reference to what can change and how we can break down some of the silos, I mentioned the research that we are concluding at the moment, which is funded by the Robertson Trust. The research is intended to shine a light on the governance of poverty, to demonstrate the different levels of government and organisations that are involved and how policies, services and institutions interact to shape outcomes for people. It very much looks at how our governance systems might unintentionally create or exacerbate inequality and poverty for individuals.

A good place to start is with the person at the centre of those systems, to work out ways in which people can work more collaboratively and to look at the stresses in the system and where those silos create unintended consequences for individuals. Our approach is to put composite stories and individuals at the heart of the policy system to map the system around them. This is probably not surprising to anyone here, but when you start to do that, you see a very complicated policy, service, institutional and governance arrangement around an individual, such as Michelle, who is a single parent with two young children, navigating multiple systems that are pushing her further into poverty and inequality, despite the fact that the systems around her are intended to pull her out of poverty.

A good place to start in thinking about breaking down silos would be to adopt the person-centred approach that the public service reform strategy and the Christie commission have advocated for a number of years now. Again, there is definitely a commitment to that, but there is no evidence on what that looks like in practice in policy design and budget decision making.

The final point, which is maybe a simple step, is to think about how useful equality impact assessments are when decisions are taken, and referring back to processes that already exist. That might involve tweaking some of the equality impact assessment process to think, for example, about putting a question on prevention and to consider not just the negative or unintended consequences

of a decision that has been taken but some of the positive effects that might happen in other policy areas as a consequence. That would be a quick and simple step and an easy way to start to have those conversations.

Joe Fagan (South Scotland) (Lab): I will go back to something that we dealt with earlier, but I might broaden out my questions after that. From looking at the evidence that we have gathered on the deliverability of the targets, I would say that it is mixed or heavily caveated. I am curious about your takes on the target of a 0.5 per cent reduction in head count and the £500 million figure that has been attached to the reform agenda. I know that that is where we started, but I want to come back to each of you on that. How achievable is it?

Stephen Boyd: The evidence from the year in which the head count target was initially published suggests that it will be very difficult, because I think that head count has actually risen in the latest set of figures. I do not think that it is a very SMART—specific, measurable, achievable, relevant and time bound—target. The Government has not specified from where it thinks it will lose those jobs beyond the broad category of back-office functions. When we spoke to public service leaders as part of our recent research, nobody accepted that the distinction between front-line and back-office functions is helpful or has any real meaning in the service that they deliver. We found that, whenever something was identified as a back-office function, if you removed that position, there would be an immediate knock-on impact on front-line delivery.

Looking at the trajectory of public service employment in Scotland over the past 15 years, as you would expect, we have seen significant growth in health—although, when you adjust for demographic change, it is not as significant as it initially looks. We have seen big job losses in local government. Those have recently reversed somewhat due to investments in childcare but, across local government services, the job losses are not evenly distributed.

Over the past 15 years, many of the easy gains, if you want to put it like that, in the agenda have been realised. The idea that, currently, parts of the public sector are bloated and that you can lose significant numbers of jobs with no impact on delivery does not stand up to scrutiny. Therefore, I am sceptical that the target can be achieved. As I said, if it is achieved, I would worry very much about what that means for the quality of delivery.

Stephen Boyle: I agree with Stephen Boyd's points. That is all the more reason why the Government needs a clear workforce plan to deliver on the targets that are set out. They will be challenging, and they are not universally applied

across the public sector, especially with the commitment to protection in the NHS and the focus on back-office services. Stephen is right that the question of what is a front-line worker and what is a back-office service can be quite nuanced. The issue could evolve so that you have front-line services running support functions just to meet a target. I do not think that any of us wants to see police officers or doctors running payroll departments, but that is an extreme example of a situation that could arise if that approach is followed without being coupled with a clear and effective model for how support functions will be delivered, whether through shared services or otherwise.

As part of my preparation for today's meeting, I read the Fraser of Allander Institute's submission, which captures many of the issues around where the indicative savings might come from. I mentioned the further education sector, which already has experience of this and is much further ahead than others when it comes to rationalisation and job losses. Clarity needs to be provided on questions such as, "Why this sector and not that one?", and what the implications are for service delivery models.

Joe Fagan: I want to keep this brief, but my concern about the target relates to the rising demand that the strategy and the programme for government identify. How smart is it to set a head count reduction target without doing more to quantify demand? It seems that there is a mismatch there, which takes us into the real meat of what public service reform should be doing. Do you have any quick observations on that before I come to my main question?

The Convener: I will bring in Stephen Boyle first, because I realise that he has other commitments, which he will have to head off to meet. I want to maximise his opportunity to put some comments on the record.

Stephen Boyle: Thank you, convener.

To address Mr Fagan's point, I come back to the need for clear detail on what the intended outcomes of the public service reform strategy are. The strategy's aim is twofold—it is about addressing the fiscal gap and addressing the demand for public services to meet people's needs. The next step will be for the Government to set out clearly what the strategy is for, so that that is transparent and can be scrutinised.

It is inevitable that staff costs and staff numbers will form part of the target, given the labour-intensive nature of aspects of public service delivery. However, that aspect should not be considered in isolation. It is important to be clear about how the strategic workforce plan is informed by the digital strategy and about which parts of

public services will change and why. The committee now needs to see that detail.

The Convener: Mr Boyd, do you have anything to add?

Stephen Boyd: I am probably at risk of repeating myself, but if the Government wants to persist with the target, it must be clear about where it expects the job losses to be achieved and what it thinks that will mean for the delivery of services in the context of ever-rising demand, particularly in health and social care.

Joe Fagan: The question that I am leading up to is this: when it comes to the lens through which we view public service reform, are we putting too much of a focus—or, rather, is the Scottish Government putting too much of a focus—on fiscal sustainability? Should there be more of a focus on how we drive social change and the outcomes around that? In my view, that is where the real meat of the public service reform issue sits.

The Convener: This might be your final contribution, Mr Boyle. If it is, I am sure that you will follow the rest of the evidence session, and if there is anything that you want to follow up on in writing, we would really appreciate your doing so.

Stephen Boyle: Many thanks, convener. Of course, my job is to comment not on the merits of policy but on the success of its implementation. However, my role also requires me to look at the financial position and how public money is being used. Inevitably, both those aspects will need to be looked at. We are presented by a fiscal issue that needs to be addressed, and the Government has identified that its public service reform programme is part of its solution. Inevitably, that brings parliamentary, public and audit interest, and we will report to Parliament on progress against that.

However, that will not squeeze out the wider point that you make about what public services are for, what role they will have in the years to come and the nature of the services that will be delivered with the sizable resources that Scotland has at its disposal. The nature of the question is such that it intertwines both those aspects.

The public service reform strategy might only be a short-term aspect in addressing the fiscal position; the wider question of what public services are for seems to be being teed up. To reassure you and the committee, I note that we will continue to track, monitor and report that through our audit work.

12:30

The Convener: I suspect that you will have to leave now—and I know that we will have a chance to have a meeting offline as well—but one of the

things that members really wanted to ask was whether your office has any suggestions about how to make our scrutiny as effective and strategic as possible. We would greatly appreciate a discussion about that.

Stephen Boyle: I am very happy to continue to engage with the committee and, if you wish for any more evidence from me or my colleagues, we would be delighted to provide it. As I mentioned at the start of the meeting, we have a significant performance and value-for-money audit under way that we will report on in May next year, but I agree with Stephen Boyd's earlier comment that public service reform will be one of the defining themes of this Parliament, and public audit will continue to report alongside that. I am happy to engage with the committee across all aspects of your work.

The Convener: That is helpful. Our time with you is up, but I have one little note written down. At the moment, the minister is reporting to the Parliament twice a year on public service reform. It seems that that will have to be more frequent, given the pace of change. Do you have sympathy with that?

Stephen Boyle: I do not have a particularly strong view about the frequency of updates; perhaps more important will be their quality and detail to allow the Parliament and the public to track progress. It comes back to where we have been for a number of years: the detail that is necessary to support successful implementation, transparency and scrutiny is fundamental.

The Convener: I will pass back to Joe Fagan to continue his line of questioning.

Joe Fagan: I come back to my broader question. I do not know whether Dr MacRae has had a chance to speak yet.

Dr MacRae: I think that there is too much focus on fiscal sustainability, which takes away from other solutions and ways of strengthening public services. As Stephen Boyd said, the purpose of public services is social change, by supporting the most vulnerable in society to access services. When the focus is too much on fiscal sustainability, it takes away from discussions on other options and solutions that are not necessarily focused on cost savings and that, instead, provide efficiencies through other ways of delivery, such as joined-up working and shared services. Looking at how local government operates across all 32 local authorities in Scotland, you can see ways of working that do not duplicate as much in what they deliver.

On the project that we are completing at the moment, you find that, when you start to look at the policy, service and governance level that individuals live within, it is complex. There is

massive scope to look at how agencies, even within a local authority, could work better with one another to make services better for individuals.

Stephen Boyd: Given where we are with the public finances, there is probably a grim inevitability that public service reform will be addressed in that context, but that is profoundly unhelpful. Mr McKee was appointed to the Cabinet position and was immediately described as the minister for cuts, which is unfair. I have worked quite closely with Mr McKee in Government, and I do not think that that is his motivation. When that is how the public perceive the agenda, it is not conducive to effective reform that we all want to see—the kind that benefits the end users of public services—so we need to find a different way to frame it. Fiscal sustainability should be an outcome; it should not be the goal.

The Convener: I am wondering—and I will make this rhetorical—whether politicians have a responsibility in how we frame this discussion. I will leave that hanging. With that in mind, I pass to Murdo Fraser.

Murdo Fraser: I do not know who you mean, convener. [*Laughter.*]

You have both referenced the public sector reform strategy. This all goes back to the Christie commission, which is now 15 years in antiquity. I suppose my question is in two parts. First, are the Christie recommendations still relevant and are they the right foundation for driving public service reform? Secondly, to what extent does what is proposed in the programme for government fit with the Christie commission recommendations?

Dr MacRae: The answer to your first question is yes. The Christie commission recommendations and pillars are still relevant. If anything, they are more relevant today, and they are a good way to drive reform. Within them, there are great examples on participation, citizen-centred services, citizen-centred approaches to services and the prevention agenda. If we had really tried to implement the recommendations 15 years ago, we would be reaping the benefits now, so this is a plea to think about them. I know that it is challenging because prevention involves longer-term outcomes, but if we invest now, we should see the benefits in 15 years' time and be more cost effective and efficient.

I believe that the strategy should be founded on the Christie commission principles. That is a good way to drive some of the reform forward and think about the governance challenges where systems bump against one other when they should be working together for individuals in society and our communities.

Murdo Fraser: What about my second question?

Dr MacRae: Will you remind me of that?

Murdo Fraser: Yes. Does what was announced in the programme for government fit with the Christie commission recommendations?

Dr MacRae: Yes. It is welcome.

Murdo Fraser: Okay. Thank you. Stephen?

Stephen Boyd: I agree that Christie is still relevant. I go back to the point that I made in response to Alex Kerr. There is still a remarkable degree of consensus and good will around Christie. That is an unusual and wonderful thing in Scottish political discourse, and it is surely something that we should be able to build on in order to drive real change.

There is an awful lot in the PFG and some of it probably fits while some of it does not. One of the really interesting things will be local government reform. The whole community empowerment agenda should be synonymous with effective public service reform. It was not immediately clear to me what the Government has planned through the PFG in terms of local government reform. It refers to “regional local government”, which is somewhat contradictory. However, if we can get the local government part right, that should help to drive effective delivery of a Christie-type agenda.

Murdo Fraser: Okay. I am not sure that any of us is clear on what is proposed for local government. I am not even sure that the Government is clear on that.

I have a follow-up question, given that we have referenced the Christie commission, which is now 15 years old. We talked earlier about some of the things that Tom McCabe tried to do when he was a health minister. We had a debate on some of these issues yesterday, and Lorna Slater and I made very similar points about basic reforms that could be made in the NHS through, for example, improving the appointment system and introducing an app that would deliver a better service to patients, improve health outcomes and save money. Why does it take so long to get any of this done?

Stephen Boyd: If only any of us had a compelling answer to that. One of the major barriers to making more progress on the Christie commission recommendations is that, as I said earlier, so much of it depends on up-front investment. When public finances are tight, finding what should be relatively small pots of money to deliver real change in the future can be very difficult, and that squeezes out some of those quick wins. We can look right across public services and identify quick wins and then scratch

our heads about why they have not been implemented. It usually comes back to finding the money in the short to medium-term.

Dr MacRae: I absolutely agree with that. Following the Christie commission in 2011, there were years of austerity, and funding was very reactive rather than proactive.

There is a lot of context for why there has not been investment in preventative services and a prevention agenda. That brings things back to the present day, and we are still in similar circumstances.

Just to labour the point, if we could go back to 2011, we would start even small efforts towards prevention—we would try to think about how we could implement a prevention agenda and look for some up-front investment. That relates to some of the difficult conversations that need to be had about where we start and what is not working for Scotland and to looking at some of the things that are being delivered. That comes back to evidence and evaluation and an understanding of what is actually working. There is a big gap in that regard, too. Over the years, we, as researchers, have not really seen the evidence in order to be able to look at the benefits and impacts of the policies that have been implemented over time, so evaluation and monitoring are really important.

The Convener: Stephen Boyd, Murdo Fraser asked a really important question about the fact that, at the moment, we know little about what the announcements that we heard on Tuesday will actually mean—we have very little information alongside the announcements. I am conscious that the First Minister also said that he was not going to be rigid in his approach, but the information is skeletal at the moment. Is there a balance to be struck between putting meat on the bones pretty quickly and retaining flexibility so that the Government can respond to the three-month consultation, which will start in short order?

Stephen Boyd: There probably is a balance to be struck. It was the programme for government that was announced on Tuesday, and that has always been a big-vision statement, so we would not necessarily expect a lot of detail. Given the precise context of where we are at the moment and the scale and immediacy of the fiscal challenge, the issue is more that it was not unreasonable to have expected a wee bit more detail than usual, or at least a clear pathway setting out when we might expect to see some detail.

It is good that, on a couple of the big issues that we have discussed—local government reform and social care reform—the First Minister stressed the consultative nature of what he was about to embark on. Some of the timescales were bold, to

say the least: three months to address issues on which we have not reached a consensus in more than 27 years of devolution is a pretty challenging timescale.

However, the issue is more how the consultation will take place, who gets a place around the table, and the extent to which the Government is really able to absorb the views of a range of civic organisations and engage them properly in policy making. There is a capacity issue within and beyond Government to do these things well at the moment. It is difficult to put timescales on the work at the moment, but, if, as the Government tells us, the whole agenda is being driven by the fiscal sustainability imperative, it is clearly going to have to get moving and provide detail sooner rather than later.

The Convener: Thanks for putting that on the record. Claire McRae, I imagine that the Scottish Government must have a series of financial assumptions or ranges for financial savings that could be landed with public service reform, but those have not been shared in the public domain, so would it be helpful to get more of that data into the public domain?

Dr MacRae: Yes, I think so. That goes back to the point about transparency and being up front about the scale of the challenge ahead in our public services. I go back to the earlier point that it matters how that is framed and the language that is used. When the language used is constantly about cuts, savings, fiscal sustainability and the fiscal gap, that is not helpful either. People want to see true and meaningful change—including social change—and public services that work better and more efficiently for them. Information in the public domain would be helpful, but it needs to be framed helpfully.

The Convener: A health warning needs to be put on the data—I appreciate that point.

12:45

Lorna Slater: I am interested to hear from the witnesses what steer they would give us to do our job. This is a new committee, and we have heard this really ambitious programme for government. We are all fully aware of the high-level challenges, but where are the tricky bits? What will the Scottish Government find difficult? What should we look at specifically? What questions should we ask? How can we help?

There is broad support for public sector improvement—that is a better term than “reform”—even if we disagree about the priorities and details, but the Scottish Government will struggle to do everything that it wants to do at pace, especially in the three-month window that it has announced. We have the ability to launch inquiries and to bring in

experts such as yourselves. What should we do with our time to support the best possible implementation of this programme?

Stephen Boyd: That is a great question. I think that you should be curious and challenging in how you go about your work. As I said in my opening comments, this debate has suffered from very strong views being expressed based on quite flimsy or sometimes outright erroneous evidence. You hear the whole Scottish public sector being compared with the rest of the United Kingdom's public sector or with the private sector. When we interrogate those comparisons, we see that they are pretty useless and very often do not make much sense at all. When we think about what the public sector looks like in Scotland, we need to be careful about what we use as comparators and really interrogate their value.

On the specific employment point, the Government's aim of realising its ambitions will be dependent on losing significant numbers of jobs from the Scottish public sector. The Government needs to be clear about where it expects such reductions to be achieved and the potential impact that that will have on delivery. Basically, it has to provide a much more compelling case than it has managed until now.

It is really important to hear from a variety of voices. I am sure that the committee is thinking along those lines anyway, and it is great that we have had an opportunity to speak to you today. It would be good to hear from those who represent people who use public services and to hear how they perceive the whole agenda—what they think does and does not work. Also, those who provide public services are the people who expect to see change. What do they think of the agenda? What would motivate them to engage with it constructively?

Dr MacRae: I agree with all that. To go back to the previous point about the focus being on fiscal sustainability, it would be useful for the committee to push back a bit on that and to have wider conversations. I have been in meetings, working with the Government and with local government in different capacities, and conversations always come back to that same point—the conversation starts and ends with it. I understand why, because it has to—this is about fiscal savings and efficiencies—but it is also about true reform of our services that do not work for people at the moment.

I hope that the committee will push back and ask those questions that are not only about savings but about how else you can truly reform public services for social change, as Mr Fagan said. What do we want our public services to deliver as part of that programme? You should try not to

always get lost in the conversation about the money and the savings, albeit that that is difficult.

I echo the point about participation, bringing communities along and getting input from those who experience public services—those who are living them—who can contribute to the committee's discussions.

Stephen Boyd: I will quickly add another point. One assumption that underpins the current debate is that technologies can replace workers in public services and, therefore, save significant amounts of money. When people propose that as a major plank of public service reform, it would be good to challenge them to be precise about which technologies will replace which people and in which services. Such precision is completely lacking in the debate.

If we look back through the decades, we see that technology has massively changed some services, particularly health services, and it has helped to improve outcomes. However, it has not saved costs. Technology in public services tends to complement rather than replace workers. Where it replaces them, it adds to costs—it does not reduce them.

That area suffers from a general lack of precision. It would be great if the committee could be forensic in its interrogation of those arguments.

Lorna Slater: Thanks. That is me finished, convener.

The Convener: I thank our deputy convener for being so patient. I bring in Michelle Campbell.

Michelle Campbell: I would like to think that that is a virtue that I will carry forward.

My question follows on quite nicely from that conversation. True and meaningful change and reform are about organisational change and the leadership of our public sector organisations. What are your thoughts on their readiness to embrace that level of change, and on their skills and ability to do so? I am happy to hear from whoever wants to tackle that.

Dr MacRae: There is capacity to support leaders, policy makers and decision makers in navigating that change. Earlier, we talked about policy silos and people working within departments. That is how the system is set up. However, there is also a cultural aspect in which a great deal of how people work together is implicit rather than explicit. With regard to development and support, there is definitely an opportunity to build capacity across Government to navigate that change.

Stephen Boyd: We need to understand how difficult it is to do organisational change well. I was quite concerned about the proposals in the PFG to

consolidate environmental organisations. Merging organisations effectively is very difficult to do well, in both the public sector and the private sector. The latter has a long history of mergers failing to deliver value in the longer term.

It would be interesting to understand the deeper rationale for merging those environmental organisations. Beyond their broad environmental remit, it is not immediately obvious to me that they would be a good fit. When such proposals are in the air, it is really useful to interrogate them. What do we expect to achieve here? What do we expect to gain?

I turn to leadership. It worries me that people who are in my position get subjective. That said, my experience over the past 20 years is that the quality of public service leadership has improved significantly. As Stephen Boyle alluded to, engagement across the public sector at a leadership level is pretty good, and there is definitely a much better understanding now of how better outcomes in one area can help to drive better outcomes in another. We are starting from a decent place, but we should never be complacent, and I consider that the various mechanisms that are in place to drive better leadership in the public sector could benefit from additional investment. That would certainly be very far from being a pure cost.

The Convener: I promised that, if we had time left at the end, we would bring Max back in.

Max Bannerman: My question has been answered, so I will return that time to you, convener.

The Convener: I thought that we would wildly overrun, but we have a few minutes left. Do members have any other questions?

Michelle Campbell: Seeing as we have the luxury of a bit of time, I will come in. I have spoken previously about the issue of quantitative versus qualitative measures, which I have always found to be a bit of an enigma, including when I was studying. How do you see those two approaches coming together? I appreciate that that is a difficult question to answer, but, based on your expertise and your understanding of where we are politically and as a society, where do you see the real opportunities for the Government and the committee? Do you see a difference between the role of the two?

Dr MacRae: I will start on that one. It is really welcomed that the Scottish Government is engaging significantly in lived experience research. There is always a bit of a caveat with that, because of the overuse of such evidence in the academic world. We are looking at different ways of engaging with lived experience in our

research, so we are not constantly asking people to relive their trauma. We do not want to ask people about their experiences and then walk away without having follow-up discussions and continued engagement.

There are great ways in which you can marry up quantitative and qualitative data. We have engaged in doing that by using the great amount of data that we know already exists in relation to poverty and inequality. In our project, we did not start with the creation of data; we used existing data to build narrative composite stories that were then sense-checked by a lived experience panel. Doing that, rather than going out and asking individuals about their own experiences, was a really great way of bringing both of those elements together.

People will look at, for example, the composite story of Michelle very differently from how they would look at the data. If you look at the quantitative data, you will see that, for a single parent living in Scotland, the levels of poverty are very high, particularly if they have young children. Also, if you look at the data around the cost of living crisis, you will see that those who are most likely to be pushed into poverty are those with families and so on. Those two data sets sit quite separately from each other and do not tell you much on their own but, when you bring them together into a qualitative narrative through the story of Michelle—a parent living in Edinburgh with two young children, who is also in receipt of universal credit and the Scottish child payment, who is renting privately and whose local leisure centre has just closed down—it really helps you to map where all of the policy areas are not really delivering and are actually butting against each other. For example, if you look at universal credit, which is set by Westminster, and the Scottish child payment, which is administered in Scotland, you can see that the punitive measures that come into play if Michelle works or does something different do not match up.

I think that there is certainly a place for both approaches; it is not that one is better than the other. There are really innovative ways of bringing things together, so that we talk about Michelle rather than the numbers, and can see how the numbers and policies connect.

Stephen Boyd: I have little to add to that. Both things are important.

The Convener: I was about to let you go, but Alex Kerr has put in a late bid for a question.

Alex Kerr: I am interested in the idea of thinking about the individual, and what we have just heard about Michelle is really important. In my constituency, there is a place called the Burnbank hub, which operates as a food bank. It receives a

bit of funding, which is where the preventative spend comes in. Organisations such as Money Matters and various other bits of the system can come together and get involved in such a facility. Can you highlight any examples of third sector organisations or other partners that do work like that and capture what we are trying to do?

Dr MacRae: I would just say that what we found through our research is that the third sector is picking up a lot of the support that Michelle needs. We looked at different case studies involving asylum seekers and refugees and found lots of fantastic third sector agencies that are picking up some of the slack in that area, where people are not getting support through public services.

The point that I would make around that, which is relevant to the PSR strategy, is the lack of engagement with the third sector. Last year, I attended an event called the gathering, which you will know about, at which I picked up a real feeling that third sector organisations are not engaged in the discussions around the design of public service reform. They seem to still be referred to in the PSR strategy as a delivery arm of reform, and there appears to be no real engagement with them, even though they are really close to those communities and could help to shape public services.

Stephen Boyd: I agree with that final point. It came out very clearly from our research that both the third sector and trade unions felt that, although both have a lot of dialogue with Government, it was not happening at an early stage or in a strategic manner in relation to public service reform. There have certainly been a number of quite strong points about the governance of the agenda and how that might be improved.

Other than that, I do not have much to add to what Dr MacRae said. There are numerous good examples from around Scotland of places where small bits of money are being used to make a difference to people's lives. My partner is a deputy head in a Glasgow primary school, and they use some of their pupil equity fund money to pay for family support workers who can help families engage with the benefit system and so on, which is pretty transformational for some people. Again, it is important not to be too pessimistic in this agenda. There are really good examples of positive activity.

The Convener: I thank Alex Kerr for that final question, which allows me to note that, when I sat on the Social Justice and Social Security Committee in the previous session of Parliament, we conducted an inquiry into the funding of the third sector that found that longer-term funding certainty was essential. It will be even more essential now, if third sector organisations are going to be key delivery partners and co-

production agents as we go through the public service reform process. We need to ensure that that sector is not neglected. That is a nice point to end on.

I thank Dr MacRae, Stephen Boyd and Stephen Boyle, who has had to head off, for their support this morning. Our discussion took a deliberately broad-brush and scene-setting approach. We will sharpen up our scrutiny as we go but, as Stephen Boyle mentioned earlier, a lot of the information that we need to direct us towards where our scrutiny will be most effective is still to be released by Government. Our witnesses are key scrutiny partners, so I thank them again for their input.

Before we move into private session for agenda item 5, I put on record that next week, on 10 September, we will take evidence on this topic from Ivan McKee, the Cabinet Secretary for Public Service Reform.

13:01

Meeting continued in private until 13:26.

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