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Kenneth Gibson
Convener
Finance and Public Administration Committee

By Email: FPA.committee@parliament.scot

24th October 2024

Dear Kenneth,

Thank you for sharing the Committee's report on Scotland's Commissioner Landscape. I have set out below the Scottish Government's response to the Committee's recommendations.

A review by a dedicated parliamentary committee, including all political parties, and with meaningful engagement by the Scottish Government - to be completed by June 2025.

The Scottish Government supports a further review to be carried out by Parliament if that is what is agreed by Parliament and will provide any information requested.

Whilst we recognise the importance of creating an ad-hoc committee, we also need to consider the practicalities and capacity of MSPs, some of whom are already serving on multiple committees and Parliament may wish to consider how best to undertake a further review to avoid any duplication or repetition of FPAC's own inquiry and consider the role of the SPCB to whom the Commissioners report.

A moratorium on the creation of any new commissioner-style bodies in Scotland while the "root and branch" review is undertaken.

The Scottish Government supports the intention of the FPAC report and a drive to improve governance, accountability and efficiency across the Parliamentary Commissioner landscape. We have already adopted a position that any new public body should only be created as a last resort and Cabinet has approved the use of the Ministerial Control Framework to provide a robust assessment and evaluation process for any government proposals. We have therefore considered this recommendation carefully.

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The Government supports the intention of the FPAC report and a drive to improve governance, accountability and efficiency across the Parliamentary Commissioner landscape.

The Government endorses the proposed moratorium in principle and will support it by not bringing forward any new proposals for commissioners to Parliament or any proposal to expand the remit of existing SPCB supported bodies while a moratorium is in place and until Parliament's further review reports.

For proposals within Bills which have already been introduced, we recognise that these are now for the Scottish Parliament to take a decision on, respecting the lead Committees' roles in scrutinising legislation within their remit.

We will provide any information requested by any new Parliament committee that reviews the overall landscape if that is agreed and established by Parliament.

Scottish Government setting out how it plans to use this report to “set the tone” for the Scottish Government’s wider review of the public body landscape.

We are already implementing a number of actions to support reform which reflect the Committee's recommendations. In particular, we have introduced the Ministerial Control Framework (MCF) and are working on assessment processes to support reviewing the existing public body landscape.

The Scottish Government has also committed to any new public body being created only as a last resort and have been clear that we should not follow existing operational practices if public services can work more efficiently by adopting new arrangements. We have also been clear that we should not maintain the current public bodies landscape if we can secure savings and improved service delivery by rationalising it.

Provide, as part of its second update to the Committee on its public service reform programme, detail the savings achieved in relation to wider public sector back-office functions and are anticipated in the future.

Ministers are committed to ongoing scrutiny of the programme and welcome the Committee's ongoing engagement and views, including engagement in the pre-Budget scrutiny process. We are committed to providing updates to Parliament on progress with the PSR programme and the second report was issued on 23 September 2024. As the update had already been prepared and was being finalised for issue at the point of the Committee's report being published, it did not take account of the specific recommendations, but that information has now been supplied separately to the Committee, and will be provided in future updates,

Provide confirmation that it will publish the Ministerial Control Framework (MCF), as well as assessments of new proposals against the criteria in the MCF, to ensure transparency of decision making, in line with recommendations in our 2023 public administration inquiry.

The Ministerial Control Framework was established to ensure Government proposals for the creation of new public bodies are made based on evidence and value for money and only after consideration of all other delivery mechanisms is exhausted.

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I have provided a copy of the MCF to the Committee and explained that, as a new process with a number of proposals using the framework, this will be subject to review or amendment, I welcome any input from the Committee. We will share the outcome of assessments as and when any proposals for new public bodies are approved and being taken through Parliament.

The MCF is for Government-led proposals and does not function as a control mechanism for proposals originating from elsewhere, such as Members' or Committee Bill proposals. While the MCF is intended for Government proposals for a new body, Parliament may wish to consider a similar process being adopted for any non-Government proposals. However, this would be a matter for Parliament and the resources and capacity to carry out any review would need to be provided by it rather than Government.

Provide an update on when it will produce multi-year spending plans which would allow all public bodies, including SPCB supported bodies to plan on medium-term basis.

The Cabinet Secretary for Finance and Local Government welcomes the UK Government's commitment to holding regular multi-year spending reviews and hopes this will provide greater clarity and certainty over the Scottish Government's funding position, helping support a multi-year approach to budgeting which would be our preferred approach. The Cabinet Secretary will consider the timing of a Spending Review in Scotland and look to establish a regular rhythm of reviews.

We also recognise that certainty over the medium term would help organisations to plan ahead. As the majority of our funding is controlled by UK Government decisions, this continues to impact on the certainty we can provide. The current UK Government Spending Review settlement ends in 2024-25 and there are no detailed department level spending plans beyond that. Following the Chancellor's Statement on 30 July, we expect clarity from the 30 October Autumn Budget on two-year spending plans to 2025-26, with three-year plans expected to be outlined in a UKG Spending Review in Spring 2025.

While we recognise the merit of multi-year budgets, the uncertainty pending the UKG Spending Review makes future prospects more volatile and increases the risk that any multi-year budgets will need to be reset with a frequency that could undermine their credibility. The Scottish Government is committed to maintaining public finances on a sustainable trajectory and our three-pillar fiscal strategy sets out how we are ensuring public money is fully focused on delivering government priorities, underpinned by necessary reform and prioritisation to maximise the impact of public spending.

In responding to fiscal challenges, we will continue to be guided by the priorities set out by the First Minister and will continue to take the tough decisions required to prioritise our limited resources so that spending can have the greatest impact on our key priorities. I hope that this response is helpful for the Committee.

Yours sincerely,

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