Permanent Secretary
John-Paul Marks

T: 0131-244-4026
E: permanentsecretary@gov.scot

Scottish Government
Riaghaltas na h-Alba
gov.scot

Public Audit Committee

By email: publicaudit.committee@parliament.scot

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Dear Convener,

Thank you for your letter of 1 July, following your session with the Auditor General on the audit reports *Scotland's financial response to Covid-19*; *Scotland's economy: supporting businesses through the Covid-19 pandemic*; and *Social Security: Progress on implementing the devolved benefits*.

I have met with the Auditor General several times since taking up role and welcome both this scrutiny and the recommendations in the above reports. We share a determination to improve outcomes and deliver value for money for the taxpayer in Scotland.

I am grateful for the acknowledgment of the acute context in which we have been operating, and continue to all face. The level of risk and challenge is unprecedented. I am pleased to update you on the points you have raised and outline the steps we have taken.

Scotland's financial response to Covid-19

I appreciate your recognition of the difficult circumstances in which we worked to respond to the Covid-19 crisis, and the extreme effort of our teams to redirect public spending to those who needed it most, saving lives, businesses, and livelihoods. I have discussed this with the Auditor General, and we both recognise that the context drove different responses.

Evaluation

We have taken a number of positive steps towards providing a full evaluation of COVID-19 spending, as the Auditor General noted. In the Audit Scotland Report, it was noted that a central evaluation of the financial response will be challenging, however the Scottish Government has done and is continuing to do a great deal on this, particularly in the area of business support – I've included more detail at Annex A.

We will continue to engage directly with Audit Scotland on their expectations for further evaluation.

The Scottish and UK Covid-19 Inquiries have now launched, and we expect both will also cover the financial response to the pandemic in considerable detail, including the Scottish Government's involvement.

Given the unprecedented context and scale of sustained challenge including the cost of living crisis, deteriorating economic context, and war in Ukraine, we have had to prioritise resources more keenly than ever before. I am grateful for the work taken forward on the evaluation of business support, which we see as a key priority in this challenging economic context. I have agreed with my team to develop a more concrete plan and timeline, in conjunction with Audit Scotland, and my Director General will write again once this has been established.

Publication of Financial reporting information

As you highlight, the Audit Scotland report recommends that the Scottish Government should publish "comprehensive Covid-19 financial reporting information which clearly links budgets, funding announcements and spending levels." This recommendation has been taken forward in the following way:

- the Scottish Government has set out available funding and spending plans in the Budget and Budget revisions, directly in additional information provided to Finance Committee and in response to parliamentary questions and FOI requests;
- the Scottish Government published detailed information on Covid-19 spend, for Financial Year 2020-21 in an FOI release, in summarised form in the Scottish Government Consolidated accounts, and more recently for 2021-22 to the Finance and Public Administration Committee as part of the Spring Budget Revision process, information that was then updated in the Provisional Outturn statement to Parliament in June;
- A further update will also be reported in the Scottish Government Consolidated Accounts 2021-22 in due course.

In good discussions with Audit Scotland, with respect to their emphasis on linking spend information to announcements, our feedback remains that:

- Our budget processes have reported the funding available and the allocation of that funding (based on best estimates, for example of demand, at that time) and the information on actual spending reads across to those allocations;
- The decision to allocate budget is recorded in detail through the budget allocation process;
- We will engage further with Audit Scotland and would be happy to adjust processes going forward where feasible to do so and where it represents value for money.

I welcome the valuable lessons that have been learned and embedded to improve how information can be held and collated to support the future planning and allocation of funding.

Social Security: Progress on implementing the devolved benefits

I am grateful that the Committee recognises the teams working on our devolved benefits system, and am happy to answer your questions on agile methodology.

Agile operates with a set of key principles that include putting clients at the heart of service design, supporting our commitment to design the new Scottish social security system with the people who use it. This approach has allowed the Scottish Government to successfully deliver 12 benefits to date, including complex new benefits like Scottish Child

Payment (SCP) and Child Disability Payment (CDP) during the pandemic, as your letter kindly notes.
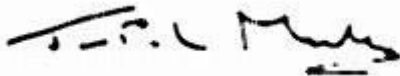
As part of the Programme objective to develop capability for the future, the Programme has already begun to share lessons learned and best practice across Scottish Government Directorates, including the new National Care Service, Transport Scotland and Marine Scotland, and presented a Masterclass for DG Education & Justice's newly formed Community of Practice.

The Scottish Digital Academy within the Scottish Government Digital Directorate has the strategic lead for training Scottish Government and wider Scottish public sector staff in agile methodology, and building the skills needed to deliver digital transformation. To support teams to enact agile methodology, the Academy delivers individual courses and development pathways from awareness to expert levels for digital and non-digital teams. Courses cover the end-to-end development journey for services and are built around the Scottish Approach to Service Design.

The Scottish Digital Academy also provides programme specific agile coaching for service delivery teams in how to embed agile into delivery. It has and will continue to work with a range of public sector organisations, as well as support Scottish Government Teams to deliver successfully through agile. More detail on the development of the Academy is included at Annex B.

I thank you once again for your letter and hope the information I have set out answers the questions posed by the Committee. Please let me know if there is any further detail you would find helpful at this stage.

Best wishes,

JP Marks
Permanent Secretary to the Scottish Government

Annex A – Summary of Covid-19 Business Support Evaluation

An [evaluation](#) was published on 1 June 2022 which assessed the outputs and indicative outcomes of the Covid-19 business support measures in Scotland up to summer 2021. The report drew on scheme management information data, survey data, business intelligence, secondary sources and modelling work to understand how many businesses have been supported and the extent to which the measures have helped businesses survive through the immediate crisis.

The report found that the support received from the Scottish and UK Governments provided lifeline support for businesses in Scotland, helping most beneficiaries survive through the immediate crisis. Over 70% of businesses in Scotland who received support reported that it had helped them continue trading. While the package of business support did not, and was not intended to, make up for all losses, the report found that Scottish Government support filled many gaps in UK support. A higher proportion (82%) of businesses that received Scottish Government support – including those who also received support from the UK Government – felt it helped them continue trading compared to those that received UK Government support only (65%).

Annex B - The development of Scotland's Digital Academy

We have a specific focus on product management, delivery management, business analysis, the Scottish Approach to Service Design, Digital Scotland Service Standards and a range of other courses.

Throughout the pandemic and over the last year, we have engaged with staff in both the Social Security Directorate and in Social Security Scotland to support learning and development on agile practices.

The Academy is now developing new resources to support those within digital delivery roles undertaking transformation. In 2022 we will launch new practitioner and expert courses in agile. These will cover new programmes to build skills in product vision and road mapping, user centred design and story mapping, Kanban and scrum. We will also be introducing new learning pathways for existing staff to develop their skills in agile practices at any level.

We have already started to see an evidence base to suggest that those undertaking learning in awareness of the Digital Scotland Service Standards are providing higher quality submissions for programme assessment. In 2022, we are introducing a new course on Digital Scotland Service Standards Assessment to further strengthen our capability.

Through the delivery of courses and programmes of work, we base sessions on our own and others' experiential learning, using examples of good practice and with opportunity for participant discussion, to identify opportunities and to find solutions to challenges, through collaboration and co-construction. For example, senior leaders undertaking our expert level leadership programme (Leading in a Digital World) enter our alumni community, a network supporting more than 200 senior leaders from a diverse group of organisations. They are invited to attend workshops, symposium, masterclass sessions and webinars to share experiences of transformation and to learn from each other as well as from thought leaders and international experts in the field.

Our Stakeholder Forum acts as a point of reference for voices across the public sector and as a critical friend to the work that we undertake. The relationship is reciprocal in nature, with opportunity for organisations to shape our offer so that it remains concurrent and relevant, and with the ability for knowledge exchange and developing collective efficacy. The Forum, which includes representatives from the Local Government Digital Office, NHS Scotland, Skills Development Scotland, Registers of Scotland, Colleges Scotland and others, is a crucial point of governance and this remains essential during the current fiscal climate, where we are exploring new funding models and the future scalability of our offer, so that we may continue to facilitate high quality professional learning and value for the public sector.

In addition, Digital Directorate and the Scottish Digital Academy are building success stories for dissemination via our website and social platforms and we have already featured examples from Police Scotland, Dundee and Angus College and the National Library of Scotland.