Finance and Public Administration Committee

9ᵗʰ Meeting, 2023 (Session 6), Tuesday 14 March 2023

Inquiry into effective Scottish Government decision-making

Purpose

1.   The Committee is invited to take evidence from the following witnesses as part of its inquiry into Public Administration- effective Scottish Government decision-making:

- Mark Taylor, Audit Director, Audit Scotland
- James Black, Fellow, Fraser of Allander Institute
- Ben Thurman, Senior Policy and Development Officer, Carnegie UK

2.   This paper provides background information on the Committee's inquiry and includes submissions from the above witnesses in Annexe A.

Public Administration – Effective Scottish Government decision-making

3.   On 6 December 2022 the Finance and Public Administration Committee began its *inquiry into effective Scottish Government decision-making*. The areas that the Committee agreed to seek to explore include:

- Transparency of the current approach
- Good practice in decision making
- Roles and structure
- Process and scrutiny
- Information and analysis
- Recording and reviewing decision making.

4.   The Committee appointed an Adviser, Professor Paul Cairney, to support the inquiry. That support included commissioning a paper from Professor Cairney to review relevant research from within the UK and internationally on decision-making including that by Government.

5.   At its meeting on 14 March Professor Cairney gave evidence on his research paper on *What is effective Government?* His research paper highlights that key to understanding effective Scottish Government decision-making is understanding what effective Government is and that whilst Governments may provide broad principles to describe this, those principles may be contradictory in practice.

6.   Professor Cairney describes the different approaches that Governments can take to effective government including the Scottish Government's approach (or narrative). He highlights the broad lessons to be learned from other Government narratives in the UK, Wales and New Zealand – "In each case, learning *what governments would like to do* is only useful when we learn *what they actually do.*"

7.   Throughout his paper, Professor Cairney highlights key messages and questions for the Committee to consider.

Engagement

8.   The Committee has also undertaken engagement with former Ministers, former special advisers and former civil servants and summary notes from the discussions on [28 February](#) and [14 March](#) have been published, with others to follow.

Written and oral evidence

9.   The Committee launched a call for views which [received 28 submissions](#) and a summary of that evidence is contained in Annexe B.

10.   In evidence to the Committee on 14 March, Professor Cairney summarised the written submissions explaining that they all contribute to a two-part story "First, there should be clearly defined steps or stages to making decisions, and Governments should use well-established and rigorous decision-making tools. Lots of the submissions call for some kind of systematic policy making in theory. Secondly, most of the submissions contribute to the general idea that people have had disappointing experiences of unfulfilled reforms and implementation gaps. An absence of systematic policy making in practice was identified."

Next steps

11.   The Committee will continue to hear evidence from witnesses at its meetings on 18 and 25 April, and 2 May.

Committee Clerking Team
March 2023

Effective Scottish Government decision making
Written submission from Audit Scotland

Introduction

1. Audit Scotland, on behalf of the Auditor General for Scotland, welcomes the opportunity to respond to the Finance and Public Administration Committee's request for views for its *Inquiry into Public Administration – Effective Scottish Government Decision Making*.

2. The Auditor General for Scotland (AGS) is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.

3. Audit Scotland is a statutory body established under the Public Finance and Accountability (Scotland) Act 2000. It is Scotland's national public sector audit agency which provides the AGS and the Accounts Commission (who are responsible for the audit of local government) with the services they need to carry out their duties.

4. We have drawn on relevant audit work on behalf of the AGS and Accounts Commission to support our submission. We consider how well public resources are used by the Scottish Government and public bodies in discharging their functions. This includes the appropriateness of any criteria they use to assess the use of resources and other arrangements to support effective decision making. We cannot question the merits of the policy objectives of Scottish Ministers, the Scottish Government or any other public bodies. All our publications are available on the Audit Scotland website.

Overview

5. Scottish Government decision making happens at many levels - from ministerial decisions on overall priorities, policies and strategies; the allocation of resources and budget proposals; decisions to support the delivery of individual programmes and projects; organisational and staffing matters; through to operational decisions about the day-to-day business of government.

6. The detail of what should be considered best practice may vary across each such area. This will also reflect the context within which individual decisions need to be made, including time, affordability, or any other constraints.

7. The Scottish Government has developed extensive guidance covering many aspects of its decision making such as Ministerial and Civil Service Codes, the Scottish Public Finance Manual and the Scottish Government Procurement Manual. It also draws on relevant guidance published by HM Treasury such as The Green Book: appraisal and evaluation in central government. Some of this guidance is mandatory or underpinned by statutory provisions, prescribing how some decisions should be reached. But in most cases judgements also need to be taken by those supporting and taking decisions about how this guidance is applied proportionately and effectively.

8. Despite this complex landscape in our view there are common expectations that should be applied by the Scottish Government across most areas to ensure effective decision making.

Our experience is that these are generally incorporated reasonably well into relevant guidance. Where we report problems or concerns these are often due to the how this has (or has not) been applied.

9.   At a high level these expectations and characteristics of good decision making include:

•   Vision, leadership and governance – it's critical that the right environment is established and maintained to support effective decision making. This includes both formal arrangements (such as governance boards, schemes of delegation and the application of appropriate project and quality management disciplines) and informal/ cultural considerations, including the quality of leadership, clarity of purpose and the values, expectations and practices of everyone involved.

•   Appraisal – decision making must be informed by clarity of overall aims and a robust evidence-based evaluation of options. This should include consideration of how proposed courses of action line up with wider aims of overarching policy and strategies, costs and benefits and how effectiveness will be monitored and evaluated. This includes the impact that a proposed course of action will have – on outcomes, on different groups and individuals (including equalities considerations) and on other policy initiatives or measures. It will also involve ongoing review of risks and how these are best managed as decisions are reached and implemented.

•   Engagement and advice – effective decision making is underpinned by purposeful engagement with the stakeholders affected. The degree of involvement should be appropriate to the matters at stake and may include information sharing, consultation, partnership working or co-creation. It's also essential that appropriate advice is sought from relevant professionals and experts or others with skills and experience in the subject matter. This should include commissioning due diligence where appropriate – rigorously confirming underlying details before proceeding.

•   Evaluation – it's critical that the effectiveness of decisions implemented in delivering intended aims and outcomes is systematically assessed. This ensures that the impact, costs and benefits are properly understood, informing further decisions about whether initiatives or measures should be maintained or modified. It also important that broader lessons about how well things have worked (or not) are drawn out and applied both within continuing projects and more widely to other decisions and policy areas. Our audit work has consistently shown a major implementation gap between policy ambitions and delivery on the ground.

•   Transparency and accountability – effective decision making is underpinned by robust record keeping. This involves systematically documenting both the decisions ultimately taken (and who took them) and the supporting processes, reasoning and evidence base. Internal records need to be clear and accessible, and retained for an appropriate period. Appropriate reporting is also required to Parliament and the public. This includes setting out key decisions and the rationale for these and ongoing reporting on implementation, cost, performance and impact in a manner that supports effective scrutiny and ensures strong accountability.

10. We expand on each of these areas below drawing on some relevant examples from our previous audits.

Vision, leadership and governance

Framework of authorities

11. Effective decision making requires to be underpinned by a clearly understood framework of authorities. Put simply this is the set of rules about who is responsible for which decisions, and what the extent and limitations of these responsibilities are. These rules are contained in legislation, regulations or administrative measures such as standing orders, schemes of delegation, financial instructions (particularly the Scottish Public Finance Manual) and other formal ministerial guidance.

12. The extent and nature of such materials means that the framework of authorities that applies in any particular area can often be complex. This means that it's important that those involved in decision making are supported to understand the relevant requirements (for example through training and advice) and that these are translated systematically to appropriate ways of working.

13. At an overall level key aspects of this are generally very clear in how the Scottish Government operates. For example, the requirement for ministerial approval over policy decisions is clearly established, and portfolio responsibilities are generally well delineated at both ministerial and senior official level linked to budget authority. There is a well-established system of personal accountability for senior officials through the designation of accountable officers and framework documents describe the respective responsibilities of ministers, sponsor departments and arm's length public bodies.

14. There is also a clear distinction between political and civil servant decision makers. This places a duty on senior civil servants to request written authority (ministerial direction) from a minister if they consider a required course of action does not support value for money or is inconsistent with applicable laws or regulations.

15. This emphasis on clear individual accountability means that decision making is tied strongly to individual responsibility. This brings some real strengths, improving manageability across a hugely wide-ranging set of policy and spending programmes the Scottish Government is involved in. It also brings the inherent challenges of cross-portfolio policy cohesion and effective coordination of different measures. The Scottish Government employs a range of approaches aimed at helping it address this issue, including through the corporate leadership of the Executive Team and a number of management boards involving senior officials and non-executive directors.

16. The Scottish Government's approach aims to deliver on the reform objectives established by the Christie Review: public services are built around people and communities; public service organisations work together effectively to achieve outcomes; prioritise prevention, reduce inequalities and promote equality; public services constantly seek to improve performance and reduce costs and are open, transparent and accountable.

17. Nonetheless, through our audits we have found that the principles established by Christie are often lost in practice. In reflecting on the 10-year anniversary of Christie, the Auditor General highlighted a major implementation gap between policy ambitions and delivery on the ground and a need to rethink radically how we measure success and hold organisations to account for their performance. This means public sector leaders really feeling accountable for delivering change that demands different organisations work together and being empowered to make the changes they think are needed to deliver Christie.

Roles and responsibilities

18. Whereas the relevant framework of authorities will generally set out overall responsibilities at a high level, effective decision making also needs to be supported by clearly understood management roles and responsibilities. The nature and extent of these need to be appropriate to the decisions being taken. For much of the Government's day-to-day business this is built into the design of individual jobs through widely accepted approaches such as job descriptions, individual objective setting and performance reviews. More significant programmes, projects or initiatives generally warrant bespoke arrangements to oversee progress and to support senior decision makers.

19. Typically, such governance arrangements would include the following components:

- a programme, project or other governance board. These boards oversee progress, review risk and advise responsible individuals (see below). There is often a single governance board drawn from senior staff from the government directorates directly involved or supporting a project (such as finance, HR and digital). In larger programmes/ projects (for example for implementing devolved social security arrangements) there may be a number of boards each responsible for elements of the programme and reporting to the overall programme board.

- key individual roles such as the Investment Decision Maker (often the Accountable Officer), Senior Responsible Owner (SRO), Project Sponsor and Project Manager. Generally, the Investment Decision Maker is responsible for appointing the SRO to lead the project and for keeping Ministers and any governing boards informed of progress and any developments that may undermine the business case.

- application of relevant programme/ project management disciplines. Larger projects or programmes generally employ a very structured project methodology or quality management systems which help provide a high degree of control over the delivery of the project (involving elements such as standardised documentation, formalised change control and systematic progress and risk monitoring). Larger projects may establish a dedicated Project Management Office to coordinate the running of the project and maintain project documentation.

20. To ensure effective decision making in each project the nature and extent of these arrangements needs to be appropriate given the volume, importance and risk profile of decision making required. Arrangements should be proportionate and kept under review to ensure that they are operating effectively and efficiently, and they may need to change as a project progresses through different phases. The respective roles and responsibilities of different individuals and groups (and how they interrelate) should be clear to everyone involved.

21. In our report on the Forth Replacement Crossing we found that Transport Scotland managed the FRC project well and in line with good practice. Transport Scotland put in place robust project planning from the beginning of the project. The initial project plan linked to the business case and clearly set out the purpose and objectives. This was revised throughout the project and provided an effective framework for managing the project. Transport Scotland set out clear timescales for the project and effectively managed any changes to minimise the effect on time, cost and quality.

22. In our report on Managing the implementation of the Scotland Acts we considered how governance for the social security programme was reviewed concluding that, "Good governance arrangements have been established but need to be kept under review",

recognising that "governance arrangements had been revised to help quicker decision making" and that the Scottish Government "committed to reviewing the frequency and order of all meetings … to ensure these are effective."

23. In our subsequent report on Social Security: Implementing the Devolved Powers we reported that,

"The programme has put in place thorough governance and organisational arrangements. Board structures are well embedded, there are clearly defined roles for senior officers, such as the Senior Responsible Officer and the Programme Director, and senior staff provide collective leadership. The programme continues to give a clear focus to risk management with processes well developed. The programme has continued to review and improve the way it provides information to management boards."

Scrutiny, challenge and assurance

24. Although responsibility for decision making often falls on individuals (or specific groups), it is critical that those taking decisions can draw from approaches that ensure effective scrutiny and provide assurance over underlying activities. These should ensure that proposals have been subject to an appropriate degree of challenge, helping ensure that they are sufficiently robust. They should also enable evidence-based review of the way decision making is being supported, providing decision makers with specific assurance that they can rely on this.

25. The Scottish Government undertakes a wide range of activities aimed at supporting effective scrutiny, challenge and providing the necessary assurance that decision making is being robustly supported. Some of these operate at an organisational level such as the Scottish Government Audit and Assurance Committee, quarterly DG assurance meetings and annual certificates of assurance from Directors and Accountable Officers. Others will operate at a specific policy, programme or project level, including individual governance boards (described above) and targeted reviews including internal audits and gateway reviews.

26. Across many areas the Scottish Government has adopted or established specific standards that require to be followed. In some higher-risk areas it has also established specific assurance frameworks that relevant project teams require to follow. For example, the Scottish Government introduced a Technology Assurance Framework in 2017 to better support programmes and projects with a significant digital component to deliver successful outcomes. This framework is managed by a Digital Assurance Office in the Scottish Government which supports the development of assurance plans, conducts major project reviews and assesses compliance with the Digital Scotland Service Standard.

27. The nature and extent of scrutiny and assurance activity needs to be proportionate and based on an assessment of risk. This should be kept under review, with the Scottish Government ensuring that the right balance is struck between its costs and benefits. A key consideration is ensuring that scrutiny and processes properly support decision making without unduly inhibiting or delaying it. Critically, decision makers need to be assured that options and advice has been subject to proper consideration and appropriate due process before proceeding.

Leadership, culture and skills

28. While the structural and organisational arrangements need to be fit for purpose, effective decision making also depends on good leadership, maintaining appropriate culture and behaviours, and ensuring that those involved in decision making processes can draw on the

right skills. Key aspects of this include the clarity (or otherwise) of overall purpose and priorities, the expectations of those in authority and the values, expectations and practices of everyone involved in supporting decision making.

29. Our report on Health and social care integration identified the common leadership traits which were important in integrating health and social care services, drawing from a range of published research. This is reproduced below. Many of these traits are equally important to all leaders working in the Scottish Government – setting the tone for the way in which decisions are taken and helping build and maintain trust, working in a collaborative manner with partners and other stakeholders.

Exhibit 8
Traits of effective collaborative leaders
There are a number of leadership traits which are important in integrating health and social care services.

Influential leadership
- Clear and consistent message
- Presents a positive public image
- Ability to contribute towards local and national policy
- Shows an understanding of the value of services

Ability to empower others
- Encourages innovation from staff at all levels
- Non-hierarchical and open to working alongside others
- Respectful of other people's views and opinions
- Inspiring to others
- Creates trust
- Willing to work with others to overcome risks and challenges

Promotes awareness of IA's goals
- Confidence and belief in new technology to facilitate progress
- Facilitates planning of sustainable services
- Recruitment of staff to fit and contribute to a new culture
- Sets clear objectives and priorities for all
- Develops widespread belief in the aim of the integrated approach to health and social care

Engagement of service users
- People who use services feel able to contribute to change
- Ability to facilitate wide and meaningful engagement
- Open to and appreciative of ideas and innovation
- Ensures voices are heard at every level
- Transparent and inclusive

Continual development
- Encourage learning and development, including learning from mistakes
- Belief in training and understanding of who could benefit from it
- Encourage innovation, debate and discussion
- Driven to push for the highest quality possible

Source: Audit Scotland, 2018; from various publications by The Kings Fund; Our Voice; Scottish Government; Health and Sport Committee and the Scottish Social Services Council.

30. In our report on Social Security: Implementing the devolved powers we reported that,

"The programme and agency have worked well to build and promote a positive culture with their staff and stakeholders. There is a clear focus on the principles of dignity, fairness and respect throughout communication and engagement activities."

Appraisal

Business cases

31. Effective decision making is founded on an objective evidence-based appraisal of options and proposals. This entails the Scottish Government being clear about objectives, thinking through alternative ways of meeting them, assessing the costs and benefits of each viable option, and taking full account of relevant risks. This includes being clear about how proposals will be delivered in practice including the management and financial arrangements to be established and plans for monitoring and evaluation.

32. These principles should apply equally to all decisions. The way an appraisal is undertaken, including the level of documentation and the amount of consideration before final decisions, will vary significantly depending on the issues at stake. It will also reflect judgements the Scottish Government makes about the management arrangements needed, including the extent of project management and associated governance arrangements.

33. In more significant decisions this is likely to require a fully documented business case to be established and considered often as a central part of a formal programme or project. Generally, this happens in a staged manner, supporting decision making about whether to pursue a particular course of action, through more detailed appraisal and development to a final decision to implement. This helps to establish the rationale for a course of action before significant resources are committed to further development. In the most complex areas this is likely to include:

• undertaking an initial a strategic assessment

• making the overall case for change

• planning for implementation and preparing an outline business case

• preparing a full business case to inform significant public spending decisions and any procurement.

34. The Scottish Government has set out its overall approach to appraisal in the Scottish Public Finance Manual. This includes a checklist of the steps that should normally be taken to support decisions. This explains that 'a principle of proportionality should be applied, so the scale of the appraisal will vary depending on the scale of the proposed project and its complexity'. As a minimum the Scottish Government requires a Pre-Expenditure Assessment (PEA) to be prepared for any proposal with significant resource implications. It has also adopted The Green Book, Appraisal and Evaluation in Central Government published by HM Treasury which provides more detailed guidance on the principles, techniques and procedures applicable in relation to appraisal and evaluation.

35. In our report on the Forth Replacement Crossing we found that the business case was comprehensive, followed relevant guidance, and clearly set out the need for the project and the scope. The FRC project team was clear about the purpose and objectives of the project,

and the risks and budget. Transport Scotland identified the preferred option for the new crossing through an extensive options appraisal.

36. In our report on Early Learning and Childcare we found that the Scottish Government implemented the increase in funded hours of ELC to 600 hours without considering different options to improve outcomes for children and parents, and the potential impact and cost of these options. There was a lack of evidence that increasing funded hours would deliver improved outcomes. We recommended that the Scottish Government should ensure that future major policy changes are backed up by options appraisal, supported by economic modelling.

Policy and strategic alignment

37. A key aspect of appraisal is ensuring that options and proposals in one area are not considered in isolation. They need to be assessed to ensure that they align with overall aims and policies, and do not conflict with or undermine other initiatives. Scottish Government guidance highlights how it considers that the Government Economic Strategy and National Performance Framework set out its strategic framework and the importance of new spending proposals being assessed for how they deliver against that framework.

38. Such an approach can be challenging in practice, given the range of activities that the Scottish Government is involved in, the high-level nature of the aims set out in strategies and the need to balance tensions between aims and priorities across government programmes.

39. In our report on the Forth Replacement Crossing we found that the project fitted with the Scottish Government's national economic policy and strategic priorities for major transport projects. The project was also in line with Transport Scotland's vision of increasing sustainable economic growth.

40. In our report on the 2017/18 audit of the Scottish Government Consolidate Accounts we reported while the business cases for individual loans to private companies were clear, there was no framework in place to support the Government's decision making or approach in providing loans. The previous Auditor General recommended, "The Scottish Government should develop a framework that clearly outlines its role in financial interventions in private companies to support decision making over where, when and at what level to invest."

41. In March 2022, the Scottish Government published a Business Investment Framework to outline its principles and approach for decisions about future investment in private companies. In our report on the 2021/22 audit of the Scottish Government Consolidated Accounts the Auditor General welcomed the publication of the framework, noting it would help the Scottish Government provide a structure to future investment decision-making identifying the areas to consider before funds are committed. He identified the scope to further develop the framework, including strengthening financial control over interventions and making a direct link between risk tolerance and risk appetite for investment considering the financial capacity of the Scottish Government.

42. In our report on Early Learning and Childcare we reported that the Scottish Government's policy to increase funded early learning and childcare (ELC) is consistent with national strategic objectives around improving the lives of children and their families, but that there is potential for conflict between the two aims of the policy - improving outcomes for parents means focusing on flexible ways of providing ELC, while improving outcomes for children focuses on the quality of ELC.

Impact, outcomes and equalities

43. It is critical that before proceeding with the implementation of a particular policy or course of action that the Scottish Government is clear about the impact that it expects it to have. This should be determined at the appraisal stage – providing a sound basis for managing implementation and evaluating effectiveness in practice. This should be planned from the outset of a project or other initiative including determining the measures of success that will be used and putting in place arrangements to gather relevant data before and after implementation.

44. On occasion, the Scottish Government may need to make decisions quickly in response to an emerging issue or when an unexpected opportunity arises, which is time limited. While it may not always be possible to work through a full appraisal in such cases it is nonetheless important that the Scottish Government is clear about the overall impact it wishes to have and how the proposed measures will contribute to this.

45. Generally, a basket of measures including both quantitative and qualitative evidence will be needed to plan and assess impact. These should be designed to help assess the contribution of proposals to overall outcomes over time for people and groups affected, as well as intermediate measures, indicators and milestones.

46. Effective decision making involves objective and thorough consideration of the impact that a particular policy or course of action will have across different individuals, groups and communities. This means assessing differential impacts of a proposal, including how it will be experienced alongside other government policies. This should involve formal equalities impact assessments as part of a broader approach to considering the equalities and human rights dimensions of decisions.

47. In our briefing on Tackling Child Poverty we highlighted that it was not possible to assess the success of the Scottish Government's first four-year plan to reduce child poverty, launched in 2018. Children and families have been supported with social security payments and other measures but the Scottish Government did not set out what impact the plan was expected to have on levels of child poverty.

48. In our report on Improving outcomes for young people through school education there had been an increase in the types of opportunities, awards and qualifications available to children and young people and an increase in the number awarded. But better data was needed to understand if broader outcomes, like wellbeing and confidence, were improving.

49. In our report on Scotland's financial response to Covid 19 we identified that the Scottish Government considered equalities at a high level when deciding how to respond to the pandemic, but did not always clearly document the expected impact of spending decisions on equalities outcomes. The necessary speed of the response to the pandemic meant that some standard decision-making processes were not possible. This can sometimes be the case in other circumstances when decisions require to be made quickly.

Risk management

50. In taking decisions the Scottish Government will need to weigh up the balance of risks inherent in options and proposals. This will mean being clear what risks are present in each option, their likelihood and potential impact. For example, this might include things that may affect deliverability and cost, such as the availability of people with necessary skills or the willingness of suppliers to enter procurement competitions in prevailing economic circumstances. No options are likely to be risk free, and decision makers will need to be

clear about what their appetite or and tolerance is for different sorts of risk. While they would not wish to expose public services or service users to undue risk, an entirely risk averse approach is often unlikely to achieve the overall impact sought.

51. High quality appraisal involves an objective assessment of such risks, including the risks that are present in maintaining the status quo. It also means the Scottish Government being clear about how it will look to mitigate and manage any risks, including its plans to monitor and respond if risks become issues that are experienced or circumstances otherwise change during implementation.

52. In our report on Managing the implementation of the Scotland Acts we considered how risks were being managed as part of the social security programme, outlining that,

"Risk management arrangements are well established. Risk management reports are presented to each programme board meeting. As the governance structure has been refreshed, responsibility for specific risks has been maintained. Effective escalation processes are in place between service areas, the risk review board and the programme board".

Engagement and advice

Professional and expert advice

53. Those responsible for making decisions in the Scottish Government need to ensure that they have sought relevant advice, including from those with specialist knowledge or experience. This will often include professional financial, legal and HR advice and may include further specialist or expert advice in areas such as procurement, innovative financing arrangements, construction or digital. Often this will mean drawing from colleagues in other parts of government or engaging external specialists (which may require a procurement exercise in its own right).

54. In many circumstances this should include commissioning professionals or other experts to undertake formal due diligence to confirm relevant facts and circumstances. This involves careful investigation and confirmation of the economic, legal, fiscal and financial circumstances before proceeding with a particular course of action. This should always be the case where the Scottish Government is considering investing in or otherwise providing financial support (such as loans or financial guarantees) to an existing business or other undertaking.

55. The Scottish Government has established specialist units to provide internal support and advice such as its Legal Directorate, Procurement and Commercial Directorate and Digital Directorate. It also participates in wider communities of interest across public bodies and has established a small number of specialist bodies such as the Scottish Futures Trust to provide expertise and advice in particular specialisms. The Scottish Government Internal Audit and Assurance Directorate also provides insight and advice, for example on safeguards, business and digital processes and procedures, and risk management.

Stakeholder involvement

56. Involving stakeholders from an early stage and engaging with them effectively throughout the process is critical to effective decision making. This should include both those that will be affected by a policy or project/ programme and those who have power to influence decision making processes and the implementation of decisions taken. This ensures decisions are informed by a deeper and more nuanced understanding of need, problems,

and potential solutions – and when done well can help support shared ownership for implementation.

57. This requires the design and implementation of participative and inclusive processes from the outset. This should include consideration of the barriers that groups or individuals may face and identifying actions/ solutions to help overcome these. This will often involve seeking out the assistance of those groups or individuals the Scottish Government is looking to engage with about how best to do that in a way that addresses their needs and enables their contribution and agree this with them. Not all stakeholders need to be engaged in the policy making process in the same way. Engagement needs to be meaningful, proportionate, respectful and appropriate, with those involved understanding up front how their contribution will be used and receiving feedback about this as decisions are taken and implemented. Scottish Government guidance is that the outcome of these considerations should generally be set out in a clear Stakeholder Engagement Plan, keeping this under review and using it to manage stakeholder involvement.

58. There are various levels of engagement, ranging from simply informing people about the Scottish Government plans to do something, through different degrees of consultation, involvement, and collaboration. In some cases, the government may actively seek consent from particular stakeholders. There may be statutory or regulatory requirements to consult with certain groups in some areas. Assuming that these are addressed, the Scottish Government will need to consider what the right level of engagement is for a particular area.

59. The Scottish Government has set out what it considers to be the Scottish Approach to Government. This is a longstanding approach developed in response to the report of the Christie Commission describing at a high level how it should look to deliver its aims. It has identified 'Participation and Co-production' as one of three key pillars of its approach (alongside the adoption of an 'Asset Based Approach' that values the existing strengths of people and communities and a systematic 'Improvement Methodology'). This sets an expectation that all decision makers will enable people to shape and co-design the services that they use.

60. In our progress report on self-directed support we highlighted how the Scottish Government had worked with COSLA, a panel of users of adult social care and unpaid carers and an alliance of key public, third and independent sector stakeholders. This included a joint review of the issues and opportunities facing social care support and agreeing a shared vision and blueprint for the programme. The programme priorities were shaped and agreed by both people who use social care support and people who work across the system.

61. In our report on Social Security: Implementing the devolved powers we reported how the Scottish Government had actively involved those with an interest in the social security system, involving potential users of the new system extensively in its design through experience panels. The Scottish Government evaluated the impact of this, reporting that experience panel members feel valued and listened to by having the opportunity to contribute to the design of the new social security system.

Partnership working

62. The increasingly inter-dependent nature of public services means that many are now often delivered in partnership with others, across sectors and, in many cases, with significant third sector input. In many areas the Scottish Government looks to work in partnership with others to deliver its aims and wider National Performance Framework outcomes. This focus on shared outcomes and partnership working can achieve outcomes which might not otherwise be possible by one body acting alone. It can also offer opportunities for sharing

limited resources to ensure more efficient, effective and sustainable public services. Effective decision making needs to reflect a partnership approach. This means the Scottish Government routinely engaging with partners as key stakeholders. But it can also often mean working collaboratively with them to align decision making processes and outcomes.

63. In our briefing on Tackling Child Poverty we highlighted that the membership of the new Tackling Child Poverty Programme Board, established to oversee the overall progress of the implementation of the second delivery plan, includes local government and the third sector. However, children and families with lived experience of poverty were not included in these arrangements.

Evaluation

Monitoring and post implementation review

64. Evaluation and monitoring should be part of the development and planning of a policy or other intervention from the start. This is critical to ensure that decisions being taken lead to successful implementation and represent value for money in the use of resources. Evaluation examines the results and impact of a project, programme or policy review – based on a systematic assessment of the design, implementation and outcomes of a policy, programme or project. Monitoring considers progress in implementing decisions.

65. For some extended projects or programmes, it will be important for the Scottish Government to evaluate progress and impact at points throughout their life. This provides the opportunity for decisions about any modification or course correction that may be needed in response to emerging evidence of effectiveness.

66. Post implementation review involves a thorough and systematic look back at the difference that a policy, project or programme has made and critically whether it was effective in achieving its intended objectives and outcomes. It is only at this stage that the Scottish Government can fully assess the effectiveness of decisions taken to initiate and implement specific initiatives. Knowing the extent to which the measures it has taken have worked is essential to enable it to decide what further or alternative measures may be required.

67. Our audit work has consistently shown a major implementation gap between policy ambitions and delivery on the ground. For example, our progress report on self-directed support found that, after seven years, not everyone was getting the choice and control over their care the SDS strategy envisioned. There was no evidence that public authorities had made a transformation in services. Similarly, our report on improving education outcomes found that progress on closing the poverty-related attainment gap between the most and least deprived school pupils had been limited.

68. In our follow-up report on Early Learning and Childcare we reported that The Scottish Government's plans to evaluate the expansion of funded ELC were well advanced. Work was under way to capture important baseline information. However, challenges to the evaluation process remained. For example, it wasn't yet clear how the longer-term economic benefits will be assessed, or how family wellbeing will be measured. A delay in updating software used to record children's data means that there will be some gaps in the baseline equalities information. This will make it difficult to fully evaluate the impact on different groups of children and families.

Lessons learned

69. A key component of effective monitoring and evaluation is ensuring that the Scottish Government continually learns from its experience – and uses this learning to inform and improve future decisions. A systematic approach to identifying and applying lessons learned should operate both within a particular project or programme (potentially leading to changes in the way it is run and informing decisions still to be taken) and more generally, drawing out and applying lessons in taking decisions about other initiatives right across government. Such an approach is critical to tackling the gaps between ambition and implementation.

70. In our report on the Forth Replacement Crossing we found that Transport Scotland kept a comprehensive record of lessons learned throughout all stages of the project, covering a wide range of topics. This enabled learning to be shared across other Transport Scotland projects, including the co-location of the project team and contractors, good project planning from the start, and early and sustained stakeholder engagement. We reported that the public sector could learn a lot from the way Transport Scotland managed the FRC project, recommending the Scottish Government should share good practice from management of this project more widely.

Transparency and accountability

Record keeping

71. The Scottish Government handles a very large amount of information. A key element of this is how it records the decisions it makes, actions taken and the rationale behind them. Good record keeping is an important to for the effective operation, policy making and accountability of the Scottish Government. This means writing down and retaining what has been decided and why; thereby ensuring that an audit trail is established that allows others to look back at and understand decisions that have been taken, the rationale and the processes applied in reaching them.

72. The Scottish Government recognises that its records are both a key resource used to support the conduct of its business and an important public asset. This important principle underlies its stated record management policy which sets out the Scottish Government's responsibilities and activities for this. It describes at a high level the responsibilities of everyone in the Scottish Government for record keeping - - including the responsibility on Scottish Government Directors for ensuring a complete record of the business undertaken by their area is captured and that systems and procedures are used appropriately. All individuals should also ensure that the records they are responsible for are complete and accurate.

73. In general records about decision making should be built into established ways of working and flow systematically from the processes used to reach and inform decisions. For example, effective project and programme processes will require specific documentation to be prepared, considered and approved, often in a highly controlled manner. And the agendas, papers and minutes of meetings should capture key considerations and decisions taken. In the Scottish Government business areas and individual Chairs and Secretariats are responsible for the appropriate recording and minuting of business meetings and committing them to the corporate record. It is the responsibility of government departments to retain full and accurate corporate records of meetings and conversations which involve ministers.

74. In our report on Social Security: Implementing the devolved powers we reported that,

"There continue to be examples of decisions needing to be taken outwith the governance boards so that they are in time for delivery needs. … There are also examples of decisions being made by correspondence rather than at a meeting. These decisions are recorded and reported at board meetings. However, routinely needing to take decisions outwith formal meetings risks these being taken without the important input, challenge and support of board members."

75. In our report on New vessels for the Clyde and Hebrides we reported that,

"It is not clear what discussions took place between Scottish ministers and Transport Scotland about the contract award. There is no documented evidence to confirm why Scottish ministers were willing to accept the risks of awarding the contract ... We consider that there should have been a proper record of this important decision".

Publicly reporting decisions

76. It's critical that taxpayers, users of public services and organisations across Scotland have clear and accessible information about what the Scottish Government has decided to do (and not do), the reasons for this and impact that this is likely to have on them. While the involvement of key stakeholders earlier in the decision-making process may help with this, it is nonetheless important that key decisions are publicised and explained as they are taken. Planning the way this happens as part of a wider communication strategy should generally be a key part of any project or initiative. This should also make it clear when people should expect to find out about the decisions that are likely to affect them.

77. Effective public reporting on decision making sits alongside reporting and engaging with the Scottish Parliament and its Committees. Often information about decisions being taken is first made public when it is provided to Parliament – in ministerial statement to Parliament, through evidence to Committees and by correspondence. Clearly this needs to be provided in a form and manner that properly supports Parliamentary scrutiny, with information also picked up by the media and other interested organisations. The Scottish Government needs to take care that it balances the legitimate demands of Parliament with the broader needs to outline and explain the decisions it has taken to the wider public, in an accessible and understandable manner.

Publicly reporting on progress and impact

78. As new policies, programmes and projects are implemented and delivered, it is important that the Scottish Government keeps Parliament and the public informed about progress and impact. This should include basic information about any changes to expected timetables or costs, and information about impact – drawing from relevant monitoring and evaluation.

79. This should mean the Scottish Government identifying the information that the public and relevant stakeholders need to understand how well initiatives are progressing and the impact they are having; building this into its plans for communication. It should also mean considering the needs of different sections of the community and responding appropriately. Above all it needs to present this information in a form that people find useful, accessible and allows stakeholders to form a view on the effectiveness of decisions taken.

80. In our report on Social Security: Implementing the devolved powers we highlighted that the Scottish Government had "not been regularly estimating and reporting the long-term implementation costs" and recommended that the Scottish Government should establish "a clear estimate of the overall costs to implement the social security system which should be updated regularly".

Written Submission from Carnegie UK

Carnegie UK was established over 100 years ago as an independent foundation with a remit to improve wellbeing.

Our purpose is better wellbeing for people in the UK and Ireland. Our experience tells us that we can have the biggest impact on people's lives when we influence decision-makers, whether these are businesses, politicians, civil or public services, or non-governmental organisations. Therefore, we work with partners to contribute to what is known about wellbeing, testing and studying what works in practice. We then use evidence to make the case for which approaches and systems need to change, and recommend how to make that happen.

What are key methodologies, processes and principles that should underpin an effective decision-making process in Government?

The National Performance Framework clearly articulates the Scottish Government's purpose: to create "a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth". It also locates eleven statutory national outcomes which Scottish Government public authorities, and those carrying out public functions, must have regard to (Pt 1 of the Community Empowerment (Scotland) Act 2015).

At Carnegie UK, we strongly believe that the National Outcomes, and the National indicators that sit underneath them constitute a 'wellbeing framework' that should underpin decision-making across public services. However, despite the clear wellbeing mission, the statutory basis of the national outcomes, and the public engagement that gives them legitimacy, our experience is that this is not the case.

National outcomes are not applied consistently by different departments; they are often seen as voluntary or applied post hoc. This is substantiated in greater detail by the evidence submitted by Carnegie UK and others to the Finance and Public Audit Committee's inquiry on the National Performance Framework. However, one example that illustrates this issue is that the public finance manuals have not been updated since the National Outcomes came into statute in the Community Empowerment (Scotland) Act 2015. Despite the rhetoric on wellbeing, there is work to be done to put the National Outcomes at the centre of decision making.

A further point that we would like to make is about the use of evidence and data to inform decision making. The national indicators provide Government with a wealth of data through which to understand wellbeing and identify emerging threats and opportunities. In order to realise the potential of Scotland's wellbeing framework, Government officials should use this data

more explicitly to shape policy, to guide policy appraisal and funding decisions, and to communicate these to the public.

What are the capabilities and skills necessary for civil servants to support effective decision making, and in what ways could these be developed further?

One of Carnegie UK's "wellbeing tests" is long-termism. We recognise, along with many others, that short-termism in policy making is symptomatic of current political structures. Outcomes that take years and perhaps decades to materialise are no help to a politician who campaigns every 4-5 years.

Existing policy making processes reinforce and exacerbate this. Annual budgets restrict spending to what is achievable within a short timescale and directly attributable to the activity. Addressing these issues requires a different approach to policy making. It requires analysts to assess a far wider set of potential impacts from policy and legislative change, and to assess a complex set of interrelationships between domains of wellbeing. In our work on the Scottish Approach to Evidence we postulated that a new approach to governance would require a new approach to understanding and gathering evidence. However, in the absence of bespoke Scottish Government guidance on evidence use in policy making, civil servants are required to consider the Magenta and Green Books from the UK Government, designed for a different governance paradigm. The Scottish civil service requires bespoke guidance for the model of governance that the government desires, for example its repeated statements to be a Wellbeing Economy Government. We would be delighted to work with Scottish Government, local government, academics and others to develop guidance fit for Scotland.

What are the behaviours and culture that promote effective decision-making?

The behaviours and culture that promote effective decision-making are set out in the values at the centre of the National Performance Framework: kindness, dignity, compassion, respect, openness and transparency. Although some work has been done to embed these values within Government, they are not applied consistently. The Sturrock inquiry is one recent example where an absence of kindness influenced a culture that undermined the wellbeing of both staff and patients.

Embedding these values across Government, as Carnegie UK has argued in its work on kindness in public policy, would inspire behaviours and culture that lead to better decision-making and better outcomes.

To what extent should there be similarities or differences in the process for decision-making across the Scottish Government?

If Scotland is to deliver its wellbeing vision, as set out in the National Performance Framework, public bodies need to be focused and unified around delivering the National Outcomes. The application of the National Outcomes as the means by which to make decisions should be consistent across the Scottish Government and should not be superseded by other frameworks (which can sometimes be the case). Detailed guidance is required to support civil servants, public servants and NGO's providing public services to enable them to adequately have regard to the National Outcomes.

What role should 'critical challenge' have in Government decision-making, when should it be used in the process and who should provide it?

We are responding to this question as an organisation that is often asked to carry out the role of 'critical challenge'. We believe that this can play a valuable role in effect decision-making; but that it has to have consequence, and it has to be transparent.

In recent years, we have had a number of experiences of engaging with policy development processes, where we have been given the impression that civil servants (and sometimes Ministers) were supportive of our contributions, but ultimately unable to adopt the changes that we suggest. Over time, this has the effect of undermining trust between civil society (and other sectors) and Government.

The same is true with respect to citizen engagement / participation, which is another critical component of effective decision making. If it is done well it can enhance decision making; if it is done poorly, or if it does not have consequence, it can undermine agency, trust and other facets of democratic wellbeing. While Scottish Government has experimented with novel methods of public engagement, the majority of consultation and engagement is carried out in traditional, sub-optimal ways. Our survey research consistently finds that the public have more appetite for engagement than is often assumed. Similarly, there is limited evidence of consultation fatigue amongst the general population (though we accept some groups are over consulted and their views not subsequently taken into account within the policy process).

The second point we would like to make is about transparency. When we have been invited to offer critical challenge in the past, it has sometimes been 'behind closed doors'. We recognise the importance of informal information gathering conversations. But at the point where decisions are made, we believe that it is important to identify clearly who has been involved, in what capacity, and how this has informed decision making.

What is considered to be the most appropriate way of taking account of risk as part of effective Government decision-making?

While we are not in a position to advise on the most appropriate way of taking account of risks, there are several things that we believe are important to consider.

The first is the risk of inaction. In our work on kindness, we were often given examples where attitudes towards risk prevented organisations taking action on known harms or got in the way of things that appeared to be in the best interests of people involved. We also documented a 'culture of fear' about getting things wrong, and there is some work to be done to rebuild trust and rebalance approaches towards risk management.

Secondly, when appraising the risks associated with particular interventions, Government should take account of the risk of incurring future costs (to health, the environment etc.). This is not a new idea, and is embedded in the principle of prevention, but it is not clear if and how it is currently integrated into decision-making processes. This links to our previous point on transparency, if those outside Government are not able to critique the evidence related to future costs and benefits we are unable to provide counter evidence to support interventions that may have more of an impact on collective wellbeing.

How can transparency of the decision-making process be improved?

One key area for improvement is transparency in the budget process. In our report on building budgets for children's wellbeing, we argued for an approach that allows us to assess the impact of government spend on all aspects of collective wellbeing. Our Being Bold report concluded: "This is complicated work, made more so by a lack of transparency in government approaches to budget setting. We cannot make best use of the expertise we have (both lived and professional) if we do not open the process up to greater involvement, scrutiny, and debate."

As we enter another phase of budget restrictions and 'difficult decisions' it is imperative that the public and those that advocate for them are able to assess the quality of the evidence produced by civil servants to justify spending decisions. Transparency in decision-making would be greatly improved by opening up policy appraisal to greater involvement, scrutiny and debate.

Written Submission from Fraser of Allander Institute

Strathclyde University's Fraser of Allander Institute is a leading economic research institute, which carries out impactful research to inform the big challenges and opportunities facing Scotland.

Lead author: James Black, Fellow, Fraser of Allander Institute, University of Strathclyde.

Authors: Mairi Spowage, Director and Emma Congreve, Deputy Director, Fraser of Allander Institute.

What are key methodologies, processes and principles that should underpin an effective decision-making process in Government?

At the end of 2023, ClimateXChange published our report titled 'Improving emissions assessment of Scottish Government spending decisions and the Scottish Budget'. The report represented research to inform the Joint Budget Review on matters relating to climate change.

The report can be found here:
https://www.climatexchange.org.uk/media/5591/cxc-improving-emissions-assessment-of-scottish-government-spending-decisions-and-budget-june-2022.pdf

It was clear from the project inception that any recommended intervention would have to work effectively across all parts of the Scottish Government. Before considering a variety of potential climate-related processes, our first priority was therefore to understand how policy is currently made in the Scottish Government.

We expected to find a structured framework of processes which we could build from. We found no such framework. This concerning finding led to us unravelling the various processes and practices currently occurring across different parts of the Government. This was supported by conversations with over ninety people from the Scottish Government, public agencies, academia, and the wider policy community.

The patchwork of policy development processes goes beyond impacting net zero progress. All intended Government outcomes are potentially harmed without effective policy development processes.

Our report findings of piecemeal policy development processes finally connect several shortfalls observed across the policymaking community. For example, the gap between policy ambitions and delivery, the need for setting clear

objectives, difficulty in establishing value for money of policies, lack of evaluation and ineffectiveness of existing impact assessments.

This includes the Scottish Government's Equality Budget Advisory Group, which stated:

"What is clear is that current practice of equality and human rights impact assessment is at best variable. It is also clear that the starting point for policy formulation is not an analysis of the equality dimensions and a clear articulation of objective to advance equality and progress the realisation of rights."

While the focus of our report was on climate change, the findings speak to all intended outcomes of Government. Many of our key recommendations revolved around core policymaking and decision-making processes.

Therefore, we believe this report is closely tied to the Finance and Public Administration Committee's Inquiry.

Our report already includes many of our thoughts on this issue, and to avoid duplication, we will be brief in our responses to the Committee's questions.

The response to Q1 starts below.

The key framework for effective decision-making is Business Cases. The Scottish Government follows the Five Case Model, which addresses the following questions:

1. Strategic case – is there a case for change / strategic fit with Government objectives?
2. Economic case – does it provide value for money when we consider both the financial and broader (social, environmental etc.) outcomes of the different options? Includes economic appraisal.
3. Commercial case – is it viable? Can suppliers be found?
4. Financial case – is it affordable?
5. Management case – is it deliverable?

All projects and programmes should follow this framework. These five questions are typically addressed across three stages: the Strategic Outline Case, the Outline Business Case and the Full Business Case.

Focusing on a framework rather than being highly prescriptive around processes provides flexibility in how different directorates undertake the Five Cases. Even within a single area, such as Transport Scotland, separate guidance exists for the economic appraisal of roads than the appraisal of rail.

Several outcomes of Business Cases are important to this enquiry, including:

- Record keeping

- Consistency of the overall structure for comparability (even if the underlying policy processes vary)
- Intentions to have explicit points for decision-making review
- Clarity over the intended outcomes of projects
- Estimates of inputs, outputs and outcomes
- Monitoring and evaluating outcomes so learnings can be fed into new policy development ("evidence-based policy").

Business Cases are, therefore, hugely important to effective decision-making. They are at the core of what supports evidence-based policy.

However, our research found that these processes appear to be often insufficient. Business cases were performed to the minimum standard or missing entirely. Impact assessments were taking place at the end of policy development, so they could not affect the policy direction, missing their intention entirely.

And a lack of governance and oversight alongside a culture of rushing policy development resulted in a decision-making environment that appears easy to circumvent and incentivises civil servants to ignore or neglect these fundamental processes.

This piecemeal approach is significantly limiting the effectiveness of decision-making processes in Government.

Please read our report for more coverage of these points. Our first to fifth recommendations speak directly to the interests of this inquiry. We recommend that the Scottish Government:

1. Improves the clarity and transparency of Government decisions that impact on climate change (this extends to prioritisation of all targets), acknowledging that trade-offs will always exist between different objectives.
2. Pursues a cultural shift to ensure sufficient time and resource for robust decision-making processes, allowing business cases, carbon assessments and impact assessments to be undertaken, challenged and scrutinised.
3. Enhances cross-governmental policymaking governance. This would provide oversight and a challenge function on the existence and quality of processes and appraisal throughout the entire policymaking process.
4. Urgently expands their internal capacity and skills, including recognising that civil servants cannot expect to undertake processes as intended without enough time, resourcing, and a significant increase in practical policymaking and appraisal guidance.
5. Considers periodic external auditing of climate change (and all) policymaking governance, processes and carbon assessments.

What are the capabilities and skills necessary for civil servants to support effective decision making, and in what ways could these be developed further?

Civil servants should be able to undertake Business Cases and perform economic appraisals. This will require collecting data. These skills are not necessarily particularly challenging, although some specific applications can require expertise (e.g. transport modelling). Post-project evaluation, however, is more technically demanding, and these skills may need to be developed.

However, skills are not the core issue. Most civil servants can undertake these processes. Instead, a lack of resourcing allocated to these projects creates a poor set of incentives to undertake decision-making processes as intended.

Driving this lack of resourcing is (a) cultural issues and (b) a lack of internal scrutiny of decision-making process quality which is occurring because of governance structures.

What are the behaviours and culture that promote effective decision-making?

It needs to be made much clearer as to what is expected of civil servants.

Firstly, the Scottish Government has a wide range of targets, including several statutory targets. There is a need for more clarity around prioritisation when civil servants face trade-offs between targets. A lack of clarity may be resulting in a bias towards maintaining the status quo.

Civil servants we spoke to were also unsure who was responsible for scrutinising business cases and whom they could approach for support.

Incentives for robust decision-making processes were poor as there appeared to be a culture that prioritised 'getting money out the door' rather than identifying whether the spending was likely to produce value for money.

What is best practice in relation to what information is recorded, by whom and how should it be used to support effective decision-making?

While our project did not specifically investigate information recording, the lack of existence or quality of Business Cases makes us concerned that this may also be missed. What incentive is there for civil servants to record information if the information is not scrutinised?

The Government does have AO Templates that provide limited information but only from a financial sign-off perspective.

What does effective decision-making by the Scottish Government 'look like' and how should it learn from what has worked well and not so well? Please share any best practice examples.

The best example we found of good practice in the Scottish Government was in the Scottish City Region and Growth Deals team. Through the lens of climate change, it was clear that they understood the value of having strong Business Cases, economic appraisal and carbon assessment all in one framework. The latter they introduced through the secondment of a specialist whole life carbon consultant. You can see how they have integrated this into their processes here: https://www.gov.scot/publications/scottish-city-region-growth-deals-carbon-management-guidance-projects-programmes/

Fundamentally, it was clear that this team cared about the intention of processes and not just ticking a box.

At scale, Transport Scotland appeared to have more robust processes than most areas we spoke to. There seemed to be scrutiny of business cases, and while some analytical gaps existed, they were aware of them and actively working to mitigate them. We are aware that Audit Scotland places particular focus on Business Cases from Transport Scotland and this external scrutiny may support strong internal scrutiny.

Effective decision-making includes:

- Setting clear objectives for policies (that go beyond simply spending money).
- Considering how policy options could impact statutory targets at the earliest possible point in policy development so that the policy direction can be readjusted if necessary.
- Creating an environment where delivering value for money is prioritised over spending money.
- Having clear decision-maker review points with sign-off.
- Ensuring there is scrutiny and oversight of proposed policies (incl. programmes/projects). This oversight should be checking that processes exist and are of sufficient quality, that processes are occurring at the intended time, that an appraisal of financial and social/environmental impacts have taken place, and that these impacts are acceptable.
- There should be a degree of centralised oversight to identify lagging areas in government that need support and ensure that the "macro" side of government targets matches the sum of the "micro" side of policymaking across all directorates. That is, do individual policies add up to support government-wide targets.

To what extent should there be similarities or differences in the process for decision-making across the Scottish Government?

We have mostly covered this in our response to Q1. Flexibility is valuable, provided it is within an overall framework.

The challenge in our project was that this framework is often not being followed, which meant there is no single point of intervention available that is consistent across all parts of government. This makes it very challenging to introduce government-wide change, e.g. ensuring policies consider climate impacts.

What role should 'critical challenge' have in Government decision-making, when should it be used in the process and who should provide it?

Both internal and external challenge functions are hugely crucial in decision-making.

Internal challenge functions help determine the incentives that civil servants across the Government face. Effective policy is made when policies and their impacts are scrutinised. They help send a message across Government about the expected standard for policy development and that no policies will be allowed to circumvent these systems.

While we consider the incentives of civil servants, we must also consider the incentives of any challenge function. A challenge function that comes only at the end of policy development may feel pressure to let policies pass, as redevelopment may take significant time by this point. Challenge functions must therefore be engaged early in the process and have the clout to ensure they can enforce this timing.

Unfortunately, these practices do not appear to occur in many parts of the Scottish Government. Where challenge does occur, it occurs in bulk towards the end of policy development. We have heard that this challenge was primarily interested in the financial feasibility of funding policies and not in whether the policy has been well-developed, whether processes have been followed as intended, whether objectives other than spending money have been set, or even what the expected impacts of the policy are.

Throughout our project, we could not even ascertain who exactly was responsible for examining the expected impacts and quality of processes, leaving us to conclude that a gap in responsibility may exist.

Significant divergence in the quality of decision-making processes has emerged between different parts of Government. The Scottish Government's

relatively decentralised system of directorates has many advantages. Still, perhaps it is time to consider that the lack of centralised oversight leads to this divergence. This does not necessarily mean that an explicit Treasury function is required, but rather that a central team has the clout to challenge policy development standards across Government. Some areas with poor practices do not always realise that they are below the intended standard.

External challenge, whether through Parliament or auditing, is also hugely important. We are concerned by the occasional lack of flow of information between the Government and sources of external challenge.

Outwith commissioned work (such as the ClimateXChange work), the Fraser of Allander Institute plays a variety of scrutiny functions on a range of government policies including, but not limited to, the Scottish Budget. Our ability to do this tends to be once decisions have been made and information made public. In the case of primary legislation, there is an opportunity for 'critical challenge', in particular in relation to financial memorandums, as part of the process of parliamentary committee scrutiny.

As covered in question 9, we are often hampered by the lack of transparency in how decisions have been made and the data that has been used (although our criticism of this could be seen as 'critical challenge', it does not feel very effective!). Often, we find that conversations with officials can overcome some of these issues, but it is dependent on us knowing whom to talk to. Sometimes it can take months to find out who the right official is (there is no 'staff directory' available externally).

When invited on to working groups, whilst we have the opportunity to make points to officials and policymakers, the impact on actual processes and decisions is difficult to see, which makes us question whether we have been consulted just so the Scottish Government can say they have involved us, rather than because they seek our input. This makes us question whether it is worthwhile to invest our (limited) resources in these processes.

Ultimately, our most effective critical challenge function comes from outwith the decision-making process by us analysing policy development independently of government. We seek to inform and involve government officials in the hope that our analysis can feed into internal processes at the appropriate time. This external scrutiny role is important, and we play an important role in informing the public and the media. However, the extent of our effectiveness in informing effective policymaking can be hard to judge.

What is considered to be the most appropriate way of taking account of risk as part of effective Government decision-making?

Risks, uncertainties, and optimism bias are well-documented features of policymaking. So well documented, in fact, that economic appraisals should be adjusted to include uplifts to costs and delivery estimates based on 'typical'

levels of optimism bias as well as take account of risks and consider uncertainties. Sensitivity analysis is a useful tool to help think through more and less optimistic alternatives, how likely these are to occur and whether or not they would affect decisions or Government targets.

We, therefore, return to issues in policy development processes such as Business Cases and economic appraisal. If these processes are missing or low quality, then the considerations of optimism bias, uncertainty and risk may not take place.

A further question is, even when these are being considered within individual policy development, is the Government aware of how sensitive whole-of-government targets are to individual assumptions or policies?

A recent example is the changes to the treatment of peatland emissions in the emissions inventory occurring this year. This single methodological change will make it significantly harder to achieve the Government's net zero targets.

In general, our view is that strong Business Case and appraisal processes help take account of risk. However, there does need to be an effort to align findings at the policy level with an understanding of how policies support government-wide targets.

How can transparency of the decision-making process be improved?

Firstly, documentation within the Government of processes could be much better. The Government should focus on expanding this documentation and explaining how it can be applied practically. We suggest looking at the documentation provided by other governments, such as the New Zealand Government.

Secondly, much more should be done to provide access to Audit Scotland to scrutinise processes. It is tremendously difficult for them to identify how well procedures are being applied without limiting the assessment to only a small sample. SG should explore how it can help provide this information, realising that transparency will help Government performance over the long term.

For example, the Government could maintain a centralised database of projects and programmes containing documentation (including Business Cases), financials and results of economic appraisals. Audit Scotland could interrogate this database to identify gaps in processes.

Thirdly, the Committee may also be interested in the New Zealand Government's decision to release Cabinet Papers proactively. These allow the public to view why decisions have taken place and the information that led to that decision (with confidential information redacted). These also highlight the results of processes such as the Climate Implications of Policy Assessment and show whether those processes have or have not taken

place.

An example can be found here:
https://www.mpi.govt.nz/dmsdocument/53986-Next-steps-on-the-New-Zealand-Emissions-Trading-Schemes-permanent-forest-category-Cabinet-paper

How can decisions by the Scottish Government be more effectively communicated with stakeholders?

Our criticisms of the transparency of budget processes have been well documented in our ongoing commentary on Scottish Government Budget Processes. See here: https://fraserofallander.org/research/fai-economic-commentary/

The opaque nature of much of the documentation makes it difficult to understand how budgetary decisions are linked to government priorities and ultimately the outcomes that Government is prioritising.

Better and more consistent processes should make it possible to communicate more routinely the strategic fit for decisions and the rationale behind the particular policy options that are chosen. However, this must go hand in hand with a willingness to fully commit to transparency.

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Finance and Public Administration Committee

Summary of Evidence on Inquiry on Effective Scottish Government decision making

This paper provides a summary of the evidence received by the Committee on its call for views on Effective Scottish Government decision making.

The deadline for submitting views passed on Monday 7 February 2023. This summary takes each question asked by the Committee in turn.

What are key methodologies, processes and principles that should underpin an effective decision-making process in Government?

Beginning with some of the academic responses to this question. Some submissions made the point that there is a difference between the textbook answer to this question which might talk of principles and systems, and the actual reality of decision making which is often very messy. As Professor Matthew Flinders notes:

> "decisions do not emerge from a careful review of the available evidence. They emerge out of a combination of shaping factors born out of the need for compromise, bargaining and deal-making. This is not to suggest that methodologies, processes and principles should not be put in place, but it is to realise that flexibility and pragmatism will have to exist in partnership; and that different individuals, groups and organisations may have very different interpretation of what 'effective' means.

Professor Jonathan Baron was of the view that the answer to this question very much depends on the situation. Dr Helen Foster's submission identifies the policy cycle as comprising the following phases involving different players. She concludes that "ideally lessons learned from this cycle should inform future policy making."

- **Problem identification** – this comes at the start of the process with issues deriving from a number of sources, including politicians, the public and media.
- **Agenda setting** – this should bring in the views of others, including experts. It must consider if the issue is within competence of the Scottish Parliament.
- **Consideration of potential actions** – this is when decisions are made. It is not only new policies and their effects that need to be considered, but also the effects of doing nothing – "non-decisions". Civil servants advise and ministers decide is a commonly held view. However, Bevan (2021) argues that modern bureaucracies (civil servants) are in practice far more independent than theory suggests and have a degree of capacity for some independent agenda building. Developing policy is one aspect, but policy is not self-enacting.
- **Implementation** – this stage shapes how policy takes place on the ground. There should be some overlap of personnel between policy making and implementation. This should focus attention at the policy development stage on whether plans for delivery are realistic. It also reduces the opportunities to pass responsibility from one team to another.
- **Evaluation** – this stage tends to take place after a relatively short period, while longer term evaluation is generally needed as the outcomes of many policies are not apparent until a number of years after adoption. Furthermore, where evaluation is concerned, the process may be distorted by using evidence selectively, to champion those policies which are intended to be rolled out further.

Paul Gray, a former civil servant, serving governments from 1979 to 2019 said that advice from the civil services "should be well researched, soundly based and impartial." He added:

- "The evidence and advice should reflect the range of views and experiences relevant to the issue under consideration. Narrowly based advice is likely to miss important contextual issues, and broadly based advice increases the likelihood that risks will be properly identified, quantified and mitigated. Broadly based advice increases the prospect of successful delivery. In straightforward terms, the more people and organisations with relevant experience and views that you ask, the more likely it is that your advice will be sound. You reduce the risk of the loudest voices and the best organised advocates being the only ones that are heard.
- Advice should not reflect the opinion of the adviser, unless that opinion is specifically sought – where for example the adviser has professional standing in an area such as the law, medicine or engineering. And where an opinion is sought, it ought to be clear from the advice both that it was sought, and the basis on which it is provided.
- Advice should make a clear distinction between facts (including evidence), analysis, and judgement or recommendations.
- Advice should be clear about whether a proposal is legal, represents good value for money, and is deliverable. However, Ministers can still decide to proceed, should they wish to do so, even if advice is against proceeding. In some cases, that would require a Ministerial Direction, and convention provides for that. Clearly, Ministers cannot (and in my 40 years of experience, have not) require public servants to do something illegal. But that is not the

same as a government asking for something to be done that could be subject to legal challenge."

Roger Mullin distinguishes between decisions and the time available to take them. For example, some decisions require to be taken quickly and may be based on ideological intuition; other decisions may be afforded more time and thought (for example, parliamentary committee inquiries, Cabinet discussions, etc). He concludes that more time and deliberation "**if** done well" can result in better judgements and decisions. "Furthermore, in all democracies there is a high legitimacy given to this approach."

He argues for the inclusion of the following processes in decision making:

> "a. Framing the issue. Too often groups of people can fail to agree a common framing of the problem at the outset. Framing involves agreeing the context, agreeing why a decision is needed, and agreeing the broad evidential basis that should be used.
> b. Identify options.
> c. Address uncertainties, including estimating chances /probabilities.
> d. Identify potential outcomes from each option and evaluate them.
> e. As a minimum ensure all of the above are purposefully discussed.
> f. Where evidence allows, calculate the value of each option.
> g. The result of such analysis should be open to further consideration prior to confirming the preferred option.
> h. In probably rare and special circumstances where accuracy is critical (such as in considering the predictive value of tests during a pandemic) using appropriate statistical techniques (Such as Baysian statistics or table equivalents) would be appropriate."

The Fraser of Allander Institute (FAI) submission points to its recent work on emissions assessment of the Scottish Government's Budget which uncovered wider problems around Scottish Government policy making.

> "We expected to find a structured framework of processes which we could build from. We found no such framework. This concerning finding led to us unravelling the various processes and practices currently occurring across different parts of the Government. This was supported by conversations with over ninety people from the Scottish Government, public agencies, academia, and the wider policy community.
>
> The patchwork of policy development processes goes beyond impacting net zero progress. All intended Government outcomes are potentially harmed without effective policy development processes."

The submission reports the following problems in the Scottish Government:

- Piecemeal policy development processes
- Gaps between policy ambitions and delivery
- Difficulty in establishing value for money of policy
- Lack of evaluation and ineffectiveness of existing impact assessments.

The FAI recommend that the Scottish Government:

"1. Improves the clarity and transparency of Government decisions that impact on climate change (this extends to prioritisation of all targets), acknowledging that trade-offs will always exist between different objectives.
2. Pursues a cultural shift to ensure sufficient time and resource for robust decision-making processes, allowing business cases, carbon assessments and impact assessments to be undertaken, challenged and scrutinised.
3. Enhances cross-governmental policymaking governance. This would provide oversight and a challenge function on the existence and quality of processes and appraisal throughout the entire policymaking process.
4. Urgently expands their internal capacity and skills, including recognising that civil servants cannot expect to undertake processes as intended without enough time, resourcing, and a significant increase in practical policymaking and appraisal guidance.
5. Considers periodic external auditing of climate change (and all) policymaking governance, processes and carbon assessments."

[Professor Johannes Siebert, who submitted his TED talk](#) as part of his submission contends that more time should be taken at the front end of a decision process, by doing three things:

1. **Define what your decision is about** – don't formulate your decision too narrowly; broaden the decision out.
2. **know what you want (your objectives)** – most people think they know their objectives but research shows people are aware of just half of their relevant objectives in critical decision, and are often not aware of even the most important objectives. "In any decision situation, you can nudge yourself by actively reflecting what you care about. This will significantly enhance the likelihood that you will get what you want."
3. **know how you get what you want (your alternatives)** – it is beneficial to spend effort in identifying attractive alternatives. "First, separately identify alternatives that excel with respect to each objective—for example, when buying a car, cars that are very cheap and separately cars that are very environmentally friendly. Next, identify cars that are very good in two objectives, e.g., cheap and environmentally friendly. Finally, identify cars that are good in as many objectives as possible. With this method, you search broadly for alternatives, not missing attractive ones, and enhance the quality of the alternatives successively."

Carnegie UK believe that the National Outcomes, and National indicators "constitute a 'wellbeing framework' that should underpin decision-making across the public services," but that they don't. "National outcomes are not applied consistently by different departments; they are often seen as voluntary or applied post hoc."

The Chartered Institute of Public Finance and Accountability (CIPFA) agree that policy decisions should be driven by the pursuit of achieving outcomes, like those contained in the National Performance Framework.

> "CIPFA assists organisations demonstrate the value for money of outcome-oriented programmes through the Value for Money Toolkit. The toolkit provides a framework for thinking and learning about the economic validity of public programmes and promotes thinking about the longer-term effects of interventions."

CIPFA argue that effective decisions come from a "combination of factors, including considering available options and supporting data to achieve an intended outcome that is legal, sustainable, fair, efficient and accessible. An effective decision is one made following suitable engagement, communication and collaboration with stakeholders."

Children in Scotland believe that decision makers should include children and young people in their decisions, saying that despite some improvements, too many children and young people remain excluded from decision-making processes "and unable to share their unique experiences and ideas".

> "We would like to see improved engagement with children and young people to ensure they are able to realise their right to be heard as enshrined in Article 12 of the UNCRC. This aligns with the committee's interest in ensuring good practice across Scottish Government decision-making."

The Equalities and Human Rights Commission call for "a strong understanding of relevant equality issues and a commitment to take action where inequalities exist. This is in line with legal duties [cited throughout the submission] and with the National Performance Framework (NPF)." They see this as being something that should be mainstreamed within the culture of the Scottish Government as "integral, proactive parts of good-decision making, and equality must be understood as everybody's business."

The Scottish Council of Independent Schools argue that all policy which has a financial impact on a specific body or sector "should be subject to formal post-legislative scrutiny which includes independent cost benefit analysis and, if necessary, a "sunset" clause."

The submission by Engender, Scottish Women's Aid and Close the Gap (Engender) calls for the mainstreaming of gender, and intersecting inequalities as a key concern and focus of decision making. Such concerns have "not historically been adequately integrated or mainstreamed into Scottish Government and other bodies' approaches." They argue that the pandemic impacts have been particularly challenging for women and encourage greater consideration of women in the economic recovery phase and in future decision making.

Murray Blackburn Mackenzie provide a list in response to this question:

> "Demanding initial questioning of proposals - meaning, intention
> Definition of terms and concepts
> Clarification of aims
> Option appraisal
> Involvement of internal specialist input as needed
> Cross-government discussion as needed

Evidence gathering
Analysis of legal constraints
Logical analysis of where a proposal leads if adopted
Consideration of implementation issues
Cost-benefit analysis
Analysis of likely impact on various groups for which this is formally required
Risk assessment
Identification of competing interests
Engagement with all affected interests
Engagement with sources of expert advice as needed
Consultation compliant with the Gunning principles, including "conscientious consideration" of responses
Systematic assessment of final proposals for impacts, risks, cost, legal issues, as above.
Implementation planning, including communications"

The Scottish Women's Budget Group (SWBG) and Engender argue for gender budget analysis in decision-making processes in Government to take into account the different experiences of women, different groups of women, and men.

"This is to ensure that equality is at the heart of the process. For example, the intersectional gendered effects of the cost-of-living crisis highlighted in our research with the Poverty Alliance with women engaged in the research reporting experiences of hardship, destitution and food insecurity due to the impact of low-incomes from work or social security benefits."

They consider that for effective gender budget analysis to be undertaken, there is a need for "gender and human rights competency" in people involved in decision-making processes in Government.

SWBG also want decisions aligned with the National Performance Framework (NPF). Having more comprehensive data and information are crucial for that to happen, and for high-quality equality impact assessments (EQIAs), a perspective also supported by Engender.

Engender argues that EQIAs need to be routine and undertaken at the very outset of policy development "in order to safeguard against ingrained bias and decision making that further entrenches existing inequalities."

Volunteer Scotland believe the following principles are key to effective decision-making:

• Collaboration – meaningful collaboration with stakeholders, acknowledging the complexities in play.
• Communication – should allow for diversity of voices to be heard, for example, allowing accessibility by allowing virtual contributions from those say, outside the central belt. Accessible language should be used and catering for all levels of digital literacy.
• Achievability – decision making should be achievable – "any plan, strategy or legislation that is published without a clear indication on the resource required to achieve it, and where such resource will come from, is at higher

risk of failing to achieve some or all intended outcomes."

• Transparency – "transparency around decision-making processes is vital to ensure that relevant bodies are able to contribute in a meaningful way."

The Scottish Council for Voluntary Organisations (SCVO) raises similar issues. Citing work conducted over the 18 months, it argues that policy and legislation must be developed collaboratively, with "parity of esteem" being a key principle of effective decision-making. On the "parity of esteem point" the SCVO submission contends that there is a currently a "lack of recognition of the voluntary sector's fundamental role in how our society and economy functions" which "works against achieving that parity of esteem."

"To achieve this, not only do we need to recognise the current imbalance of power existing between sectors, but we must also acknowledge that it takes time to build relationships and trust amongst partners."

SCVO also call for the Scottish Government to issue guidance "setting out expectations of the government and of those who wish to engage with it, including our sector."

"Sectors must fully understand processes they are contributing to and must each understand the barriers/drivers of other partners. The Scottish Government must also be clear about the scope for influence that voluntary organisations have on a process – and must seek to involve them as early as they can so that this influence is as great as possible."

SCVO argue there is a need to build in sufficient time for partners to engage with consultations and "think innovatively about different forms of engagement."

Scotland's International Development Alliance calls for the UN 2030 agenda and 17 Sustainable Development Goals (SDGs) to underpin all decision-making in Government. They argue that the key principle relates to policy coherence and having consistent polices aimed at sustainable development, "whereby no policy undermines any other policy."

"Key to this definition is that development (social, economic or otherwise) must support ecological integrity and social equity within Scotland and elsewhere in the world, and support the self-defined sustainable development of other countries."

The submission notes that this "policy coherence for sustainable development" (PCSD) has been committed to by the Scottish Government:

"However, it remains unclear how this approach is embedded in decision-making in practice. For example, the Scottish Government has convened a Ministerial Group on PCSD but there is a lack of transparency in how this group operates, what its role is and what it focuses on. It is not clear whether the group is being used in such a way as to enhance PCSD across government…

A Ministerial group on PCSD would support effective decision making."

The submission also recommends regular Scottish Parliament scrutiny of such a ministerial group on sustainable development, with a lead committee responsible for such scrutiny. All relevant committees should consider using the Scottish Parliament's sustainable development impact assessment (SDIA) tool: https://www.parliament.scot/chamber-and-committees/research-prepared-for-parliament/sustainable-development-scrutiny.

Audit Scotland note that best practice in decision making may vary by area, and reflects context, as well as time, affordability and other potential constraints. However, there are common expectations that should be applied across most areas to ensure effective decision making.

- "Vision, leadership and governance" – including formal arrangements (eg boards, lines of delegation and accountability, appropriate project and quality management) and informal/cultural factors like leadership quality, values and practices.
- "Appraisal" – consider how proposals line up with wider policy (don't consider in isolation), costs and benefits, and ensure effective monitoring and evaluation.
- "Engagement and advice" – engage with impacted stakeholders and seek relevant professional/expert advice.
- "Evaluation" – systematically assess effectiveness to inform further decisions on maintaining or modifying initiatives. Learn broader lessons.
- "Transparency and accountability" – effective decisions must be underpinned by robust record keeping. Appropriate levels of reporting to Parliament and public, including explanation of key decisions, costs and performance.

Scottish Environment link argue that an "environmental lens needs to be applied to all decision making processes." The cite 5 tests which should be applied to all decision making.

"Every individual policy/action adopted must be based on sound evidence, must not increase carbon emissions, must not damage nature and must not harm social wellbeing and must contribute directly to one of the following:

- Reduction in pollution
- Reaching net-zero by 2045
- Improving adaptation to climate change
- Securing sustainable consumption of natural resources, reducing Scotland's footprints
- Improving biodiversity and ecosystem services."

What are the capabilities and skills necessary for civil servants to support effective decision making, and in what ways could these be developed further?

Citing the [Economic and Social Research Council (ESRC's) Public Policy Fellowships](#) and the [Scottish Crucible Initiative](#), Professor Matthew Flinders notes the importance of the civil service allowing for mobility of people in and out of the civil service, and a need for the civil service to change "from being the traditional font of knowledge to not being the mediator or boundary-spanner connecting his or her department into the wider world."

Dr Helen Foster argues that "much depends on the skills of both the politicians and civil servants when developing and implementing policy."

> "The skills required of politicians include the ability to clearly articulate what it is they want to achieve. They also need to be able to bring people with them and to compromise. Officials need to have in depth knowledge of the policy area. Project management skills are a key requirement in policy development and implementation. Expertise may be required from stakeholders such as local government and public bodies…
>
> Churn among civil servants is an issue across the civil service in both Whitehall and across the devolved administrations, which is encouraged for the development of generalist civil servants. This mitigates against the development of in-depth expertise. Researchers have also commented adversely about churn among politicians where short postings may result in little opportunity to build up expertise and networks in a policy area."

Paul Gray was also of the view that the skills and capabilities required depend on the context in which the advice is given and vary depending on the task in hand. For example procurement advice requires a different skillset to child poverty policy.

Professor Jonathan Baron argues it is worth having people trained in risk analysis and decision analysis. He also notes that "in group decision making, people should make an effort to ensure that doubters about an apparent group consensus have their say, thus avoiding "Groupthink". The leader should try not to present their own view as the one that others should accept."

The FAI say that civil servants should be able to undertake Business cases and perform economic appraisals, but "skills are not the core issue."

> "Most civil servants can undertake these processes. Instead, a lack of resourcing allocated to these projects creates a poor set of incentives to undertake decision-making processes as intended.

Driving this lack of resourcing is (a) cultural issues and (b) a lack of internal scrutiny of decision-making process quality which is occurring because of governance structures."

CIPFA's submission calls for a "skills audit" to identify the strengths and weaknesses in teams of civil servants with training available where required.

"There are also occasions where external specialist skills and expert advice is needed. In instances where necessary skills and knowledge are unavailable in-house, and it is not feasible to train civil servants in those necessary skills, then external services should be contracted in following a fair and open recruitment process."

Another list is provided by Murray Blackburn Mackenzie in response to this question:

"detach personally from the government's political aims
identify the nature of the wider public interest
think logically
be numerate
understand formal process round finance and law
deal respectfully with contrasting views
listen and assimilate other arguments
summarise other perspectives accurately
scrutinise different views with detachment
recognise when stages of the process should be recorded and record those accurately
give difficult advice and support more junior staff in giving difficult advice
work as part of a team"

The SCVO state that "when it comes to capabilities and skills of civil servants, data indicate that good relationships rely on individuals remaining in post for longer periods of time, thus allowing them to get to know the organisation they support properly."

SCVO also argues the voluntary and third sector "value civil servants who understand their work, their organisation, and the significant contribution the sector makes", citing research claiming this is not always the case.

The Children and Young Peoples Commissioner wants the civil service to have training on children's rights, claiming:

"There is a lack of demonstrable evidence of understanding across Scottish Government directorates of what children's rights obligations are or how they should be incorporated into policy development. In this respect, children rights are too often seen as an add on, rather than being viewed as a central framework to guide decision making. If rights obligations are being considered, it is not being done in a transparent way."

Carnegie UK argue for Scottish specific guidance for the model of governance the Scottish Government is aiming for. This would be a better approach than is currently

taken whereby UK government guides are used despite the "different governance paradigm".

The SWBG believe civil servants should have the capabilities and skills necessary to have "gender competence" when supporting effective decision-making.

> "Some efforts within Government are underway to develop skills and capabilities necessary to build gender and equality competencies into policy. One example is the Centre of Expertise in Equality and Human Rights within the Office of the Chief Economic Adviser. These efforts need to be supported, including with staff time to attend and engage with learning through the centre. Inclusion of external expertise on issues around equalities and human rights as part of the aim of the centre should also provide a wider understanding."

Engender states:

> "Our organisations continue to be highly concerned by the lack of capacity and competence within government to carry out meaningful intersectional gender analysis. We need to see a gender and equalities competent workforce, as standard, across Government in order to ensure decision-making is not biased or undermining of equalities aims, is coherent and effective and secures the necessary outcomes for women, marginalised groups and communities across Scotland."

The submission states that expertise and gendered policymaking knowledge and expertise can be lost when civil servants move roles with a high degree of frequency.

This point is also raised by Children in Scotland (a similar point is made by the Children and Young People's Commissioner) who cite a frustration when officials move between roles and directorates.

> "It is incredibly time consuming for organisations like ourselves to build relationships with officials and support their development of topic knowledge and expertise, only for them to move on to a new role and have to start all over again. We would strongly recommend that the Scottish Government establishes greater role stability within its directorates if we are to see the best possible policy making take place."

Roger Mullin argues that the following skills should apply to all key decision makers, including politicians, and others who support decision making, like special advisers:

1. "I believe all involved in making judgments and decisions should develop effective reflective skills, after the work of Donald Schöniv.
2. All involved in making or advising on decisions should be made aware of the range of biases, such as motivational bias and other cognitive biases, that can affect decision making.
3. Group discussion skills for judgment and decision making purposes should be developed, and this should include an understanding of issues of group think (after the work of Irving Janisv) and how to counteract it including the need for critical review during discussions.

4. A basic understanding of probability theory would be helpful, particularly in the context of modelling and understanding uncertainty.
5. Awareness raising of the components of risk would be valuable for all, including considering how deconstructing risk can be used during group discussions.
6. The development of skills in construction of decision trees would be very helpful, particularly for those supporting the decision making of ministers and committees. There is evidence that being able to "picture" decisions in this manner can of itself assist ensuring all key elements are discussed, even if it does not lead on to more sophisticated analysis.
7. Those supporting ministers and committees should be able to use Multi-criteria decision analysis and related tools, such balanced scorecards.
8. Ministers and committee members should ensure they take part as a minimum in awareness raising sessions, to ensure they understand the decision methods that may be deployed by those that support their decision making tasks."

What are the behaviours and culture that promote effective decision-making?

Professor Matthew Flinders states that:

"Effective decision-making generally depends upon (i) a clear and agreed understanding of the problem, (ii) a sound evidence base in terms of causal effects, (iii) a clear understanding of the choice architecture (i.e. range of options), (iv) where possible evidence of 'what works' from similar context, and (v) trust between advisor and decision-maker."

He cites "trust" as being central to decision making.

"Ministers generally want to be challenged. They do not want to be surrounded by 'yes men' or 'yes women' but they do want the evidence they are presented with to be critical and constructive and to be based on a sound evidence base. A strong culture of trust and respect must therefore exist between ministers and officials - clarity and respect into roles and reach."

Dr Helen Foster argues that "taking a longer-term view; excellent policy knowledge; excellent implementation; good cross-government working, and a broader outlook are requirements for effective decision making."

"We cannot attribute short-termism to politicians alone, who are often accused of only looking as far as the next election. Wilkes and Westlake (2014) argue that the funding structure in place encourages short-termism when a long-term approach to policy would be more productive. Sasse and Thomas (2022) go on to argue that stronger accountability for policy advice, decisions and outcomes is needed to improve the effectiveness of government policy making.

Increased accountability is required of both ministers and officials. Ministers

must set clear policy objectives and create a questioning environment and be more accountable for the decisions they make, while officials must be held accountable for the advice they give. Sasse and Thomas (2022) argue that current accountability is too weak and reduces the incentives to make good policy. They suggest that outcomes need to be considered in the longer term. They further argue that there needs to be two lines of defence for good policy making - quality control by the civil service itself and scrutiny by the minister who receives its advice."

The FAI note that there should be greater clarity around prioritisation for the civil service when they face trade-offs between targets. Without such clarity there may be "a bias towards maintaining the statis quo."

The FAI also contend that culture around decision-making processes prioritised "getting money out the door" rather than identifying whether the spending was likely to produce value for money.

Carnegie UK again cite the National Performance as being something that should be used, but is not used when it comes to the culture of the civil service – specifically the values of kindness, dignity, compassion, respect openness and transparency. The values "are not applied consistently".

Volunteer Scotland argue that stakeholders should be able to express views without worrying about funding being cut:

> "It is important that any existing power imbalances, particularly when key stakeholders are funded by the Scottish Government, are addressed to ensure that all parties are able to be open and honest without fear for the continuation of their funding."

SCVO, and others like the Children and Young People's Commissioner point to a culture of silos within the Scottish Government:

> "It will come as no surprise that there is also evidence suggesting that the Scottish Government works in silos, with not enough cross-cutting collaboration and relationships (at all levels) that would help towards greater consistency, alignment and accountability. This must change. Indeed it is important to emphasise that work must be done across all portfolios and directorates within the Scottish Government to improve decision-making across the board. Where there is good practice this must be shared more widely too."

Children in Scotland believe the following behaviours and cultures are key to promoting effective decision making:

- Ensuring inclusion
- Adopting rights-based approaches
- Ensuring decisions are outcomes-focused
- Prioritising wellbeing
- Making evidence-based decisions

- Thinking long-term
- Being honest, open and transparent.

Paul Gray's submission states:

> "If I could only offer one thing to this enquiry in relation to behaviours and cultures that promote effective decision making, it would be **learn to listen better** (his bold). Do not approach issues with your mind made up. Remember that communication styles differ. Remember that people and organisations who have not been listened to in the past might want to tell you that before they share their experiences and views. Some might be nervous about sharing their views, wondering if that could have a negative impact on them. Some will be well organised and will have marshalled their evidence carefully beforehand. Others might be less adept at conveying their views, but will still have value to add.
>
> If an organisation seeks views, it should also be willing to say what happened as a result. A culture of taking needs to be balanced with a culture of giving – it is a simple courtesy to let people know what became of their input. Even if the decision goes against some views, a transparent explanation will benefit everyone."

What is best practice in relation to what information is recorded, by whom and how should it be used to support effective decision-making?

Whilst it might seem obvious that as a principle of good governance and transparency every piece of information should be logged and recorded, some submissions cited the need to retain space for people, organisations and communities to talk with honest candour. Professor Matthew Flinders response to this question concludes:

> "The most effective best practice framework would probably adopt a principle of recording information or submissions of evidence to decision-making processes but with some clear and limited capacity for informal advice or information to be offered. This may seem a little messy but, as I have mentioned, the real world of policy-making and decision-making generally is messy. One way of addressing this reality might to be focus less on pre-decision information recording and more on post-decision explanations that provide a clear and coherent rationale for the decision that has been taken."

Michael Dolan said "it might seem a controversial view but I don't think too much information should be recorded. Recording too much information can lead to a lack of focus on the end product, and a diminution of responsiveness to evolving circumstances."

Paul Gray said that it is best practice for there to be clear, transparent and routine system for recording information, but the following questions should be kept in mind:

- "Who decides what is recorded, and on what basis?
- Who records it?
- Who verifies the accuracy of the record?
- With whom is the record shared, and when, and on what basis?"

The Scottish Council of Independent Schools argues that greater weight should be given to bodies directly affected by a proposed measure "than those of standard pressure groups or interest bodies who may not be in any way directly affected by proposed measures."

Engender calls for better capturing, analysis, publication and use of gendered intersectional data. This "equality evidence" is critical to "ensuring equitable and evidence-based decision-making across all major policy portfolios."

Dr Helen Foster says there is no evidence to suggest that a central repository of experiences exists upon which policy makers can draw.

> "This leads to policy reinvention and the same mistakes been made again. There is a growing tendency for ministers to have unrecorded meetings without civil servants being present or notes taken (Durrant et al. 2022). Inquiries undertaken by the PAC have provided evidence of the inadequacy of an audit trail, for example, the Westminster committee inquiry into the award of Covid contracts to Randox and the Northern Ireland committee inquiry into Renewable Heat Incentives. Transparency is good in itself, but Rutter (2022) argues that greater transparency would force the civil service to improve the quality of the policy advise it gives. Moreover, transparency and accountability function together (Harrison and Sayogo 2014).
> The advice given and a justification for the decisions taken should be recorded, and published retrospectively as in New Zealand (Rutter, 2022)."

What does effective decision-making by the Scottish Government 'look like' and how should it learn from what has worked well and not so well? Please share any best practice examples.

The Scottish Council of Independent schools cite the Covid-19 pandemic as an example of how effective decision making can happen.

> "In many cases and periods, there was no established line of action or precedent to follow. Often, the views of groups directly affected were given prominence in establishing sensible and measured reactions rather than blanket, one-size solutions with unintended consequences. For example, look

at the process of drafting and agreeing Covid guidance for the small but discrete boarding school sector during Covid - disproportionately affected by restrictions such as lockdown and with a high percentage of overseas students under 18, who required sensitive support."

The Scottish Women's Convention cited the Period Products (Free Provision) (Scotland) Bill as an "effective and efficient policy, that shows collaboration and dynamism at its best."

The SWBG highlight the importance of following up how decisions are implemented:

"For example, the early learning and childcare expansion in 2021 was an effective decision in terms of addressing inequality but has since lacked flexibility in its implementation leading to problematic effects. In our Women's Survey 2022, we asked a question regarding this expansion. Of the 41 respondents who stated they were eligible for the free childcare hours, 29 were able to access the hours whereas 12 were not able to due to the hours of availability not matching hours of their work. Even though this was a small sample, it highlights some experiences of the lack of flexibility regarding the early learning and childcare expansion.

Furthermore, budgets. and funding are required to fully implement decisions. The evaluation of the Domestic Abuse Act just published by the Government has shown that this legislation has not had its intended impact. Whilst developing a law that recognises the importance of lived experience, there are wider issues that need addressed. Effective decision making should also promote transparency in their decision-making and this will be explored further in the next question."

The Royal Town Planning Institute (RTPI)

"commend the Scottish Government's Planning, Architecture and Regeneration Division's approach to consultation through the development of the National Planning Framework 4. An open and collaborative approach was taken from the very beginning of the process. However, given the importance of the delivery programmes in supporting the delivery of the national strategies, in future scenarios RTPI Scotland would advocate for consultations to include draft delivery programmes as matter of course."

The FAI cite the example of the Scottish City Region and Growth Deals team.

"Through the lens of climate change, it was clear that they understood the value of having strong Business Cases, economic appraisal and carbon assessment all in one framework. The latter they introduced through the secondment of a specialist whole life carbon consultant.

Fundamentally, it was clear that this team cared about the intention of processes and not just ticking a box."

Transport Scotland is also singled out by FAI as where there "seemed to be scrutiny of business cases, and while some analytical gaps existed, they were aware of them

and actively working to mitigate them." FAI suggest this may be because Audit Scotland places a particular focus on Businesses Cases from Transport Scotland and this external check may support strong internal scrutiny.

In general terms FAI argue that effective decision making includes:

> "• Setting clear objectives for policies (that go beyond simply spending money).
> • Considering how policy options could impact statutory targets at the earliest possible point in policy development so that the policy direction can be readjusted if necessary.
> • Creating an environment where delivering value for money is prioritised over spending money.
> • Having clear decision-maker review points with sign-off.
> • Ensuring there is scrutiny and oversight of proposed policies (incl. programmes/projects). This oversight should be checking that processes exist and are of sufficient quality, that processes are occurring at the intended time, that an appraisal of financial and social/environmental impacts have taken place, and that these impacts are acceptable.
> • There should be a degree of centralised oversight to identify lagging areas in government that need support and ensure that the "macro" side of government targets matches the sum of the "micro" side of policymaking across all directorates. That is, do individual policies add up to support government-wide targets."

To what extent should there be similarities or differences in the process for decision-making across the Scottish Government?

This was the question which garnered fewest comments. Most respondents to this question emphasised that there is no one-size fits all and that the purpose of devolution across the UK nations is to allow differences to emerge, whilst learning from each other.

Engender want "consistent and vastly improved use of EQIAs in a standardised and competent was across the Scottish Government." This should include gender and equalities competencies as "essential" components of job descriptions for policy analysts, researchers and others.

The Scottish Women's Convention argue for a consistent approach across Government.

> "Collaboration with the Scottish populace should be consistent, with lived experience being at the centre of policy creation. This can be ensured through regular consultation, while including stakeholder groups throughout the policy process. Furthermore, by maintaining a similar approach across Government, clarity can be provided around how decision-making occurs."

The RTPI argued for common "high-level principles of decision-making within the Scottish Government" which "should be tied to the National Performance Framework."

What role should 'critical challenge' have in Government decision-making, when should it be used in the process and who should provide it?

There was a wide consensus that critical challenge is a vital element of decision making, preventing group think and helping innovation. Professor Matthew Flinders notes that:

> "Positive critical challenge should be embedded within the culture of public service and is itself a sign of a healthy and confident public sector. The bigger question is how that 'critical challenge' is designed and delivered This brings the debate back to a focus on the facilitation of mobility (or ideas, people and talent across traditional policy, professional and organisational boundaries)."

The SCVO raised a point (also mentioned in other submissions) that some in the voluntary sector may feel limited in their ability to "challenge government while receiving funding from them."

Paul Gray is of the view that while not possible to answer this question precisely, "challenge should come from people and organisations with skills and experience relevant to the issue." The challenge, when it comes, should come before the final decision is made.

Roger Mullin argues that without "critical challenge" (or his preferred phrasing of "encourage rigorous questioning") "it is too easy to reach a lazy consensus" which can be as a result of "groupthink".

FAI note the importance of internal and external challenge functions in decision making. Much of their work focuses on the incentives of civil servants, but they argue also for consideration of incentives in any challenge function.

> "A challenge function that comes only at the end of policy development may feel pressure to let policies pass, as redevelopment may take significant time by this point. Challenge functions must therefore be engaged early in the process and have the clout to ensure they can enforce this timing.
>
> Unfortunately, these practices do not appear to occur in many parts of the Scottish Government. Where challenge does occur, it occurs in bulk towards the end of policy development. We have heard that this challenge was primarily interested in the financial feasibility of funding policies and not in whether the policy has been well-developed, whether processes have been

followed as intended, whether objectives other than spending money have been set, or even what the expected impacts of the policy are."

They point to significant divergence in the quality of decision-making processes between different parts of Government. The Scottish Government's relatively decentralised system of directorates has many advantages. However, FAI argue that it is perhaps time to consider that the lack of centralised oversight leads to this divergence.

> "This does not necessarily mean that an explicit Treasury function is required, but rather that a central team has the clout to challenge policy development standards across Government. Some areas with poor practices do not always realise that they are below the intended standard."

FAI note the importance of external challenge from groups like Audit Scotland, but comment that it can often be very challenging for FAI to scrutinise the Budget or other areas due to a lack of transparency in how decisions have been made and the data that has been used.

> "When invited on to working groups, whilst we have the opportunity to make points to officials and policymakers, the impact on actual processes and decisions is difficult to see, which makes us question whether we have been consulted just so the Scottish Government can say they have involved us, rather than because they seek our input. This makes us question whether it is worthwhile to invest our (limited) resources in these processes.
>
> Ultimately, our most effective critical challenge function comes from outwith the decision-making process by us analysing policy development independently of government. We seek to inform and involve government officials in the hope that our analysis can feed into internal processes at the appropriate time. This external scrutiny role is important, and we play an important role in informing the public and the media. However, the extent of our effectiveness in informing effective policymaking can be hard to judge."

Carnegie UK discuss how they are often asked to carry out the role of "critical challenge", but in recent years have had experiences "where we have been given the impression that civil servants (and sometimes Ministers) were supportive of our contributions, but ultimately unable to adopt the changes that we suggest." This, they argue, can undermine trust between civil society and Government.

What is considered to be the most appropriate way of taking account of risk as part of effective Government decision-making?

Professor Matthew Flinders argues that "the law of unintended consequences will always exist but should not prevent action or innovation…doing nothing is also a risk in many contexts and that a risk free society is impossible…it is important to ensure that a risk averse culture does not emerge."

> "Public sector organisations are generally very bad at taking risks, and even worse at rewarding those who have successfully taken risks. Redefining failure is therefore an important part of the discussion. Being willing to fail - although politically problematic - is very often vital to the development of effective service innovations. Indeed, there is a strong argument for teaching young civil servants to 'fail early, fail big, learn to learn from failure'. This is something we are particularly bad at doing in the UK.
>
> The second point is about rewarding success. Accountability processes (formal parliamentary and public/media methods) are generally blame-focused and focused on a 'Gotcha!' approach. A positive public administration approach would proactively seek to reward policy success and explore where it might be 'scaled-up', scaled-out or scaled-down. Too often ministers and public servants have what is termed a 'tin hat mentality' which is (for understandable reasons) reluctant to take risks. But having a healthy risk appetite - and being honest about the likelihood of 'positive failure' - is critical."

FAI argue that risks, uncertainties and optimism bias are well-documented features of policy making, so if policy development processes like business cases and economic appraisal are missing or poor quality, these risk-factors will not come to light.

FAI also argue that Governments need to be aware of how sensitive whole-of-government targets are to individual assumptions or policies. Citing changes to treatment of peatland emissions in the emissions inventory this year, FAI point out that "this single methodological change will make it significantly harder to achieve the Government's net zero targets."

> "In general, our view is that strong Business Case and appraisal processes help take account of risk. However, there does need to be an effort to align findings at the policy level with an understanding of how policies support government-wide targets."

Murray Blackburn Mackenzie argue that "risk registers are a good focus for risk assessment", but that risk assessment should not be side-lined as a separate

activity. Government should risk assessing its decision-making all the time, as a mindset. It's a constant process that should be embedded in thinking."

The RTPI submission contends that "risk analysis should be embedded in Government decision making and incorporated from the outset of policy formation and continually monitored throughout the process, perhaps aided through process of developing corresponding impact assessments."

Audit Scotland believe that "no options are likely to be risk free, and decision makers must "be clear about what their appetite or and tolerance is for different sorts of risk."

> "While they would not wish to expose public services or service users to undue risk, an entirely risk averse approach is often unlikely to achieve the overall impact sought.

> High quality appraisal involves an objective assessment of such risks, including the risks that are present in maintaining the status quo. It also means the Scottish Government being clear about how it will look to mitigate and manage any risks, including its plans to monitor and respond if risks become issues that are experienced or circumstances otherwise change during implementation."

A similar perspective is offered by Paul Gray who agrees that "any decision which attempts to prevent every risk will stifle innovation."

> "What is critical is that risks are properly identified and costed as part of the decision making process. There is a great deal of evidence about optimism bias in project and programme management for example. In essence, programmes – both public and private sector – underestimate the likelihood and impact of risks, and make assumptions about the prospects of successful delivery which often turn out to be over confident. Hence, decision making should learn from similar decisions in the past.

> In the same way as there are experts in the law, or finance, or engineering, there are experts in risk. They should be consulted in all high tariff decisions."

Roger Mullin states that "if I were an elected politician or adviser whenever someone used the term risk I would ask them two things. First, define what you mean in using the term risk, and secondly ask them to describe BOTH the probabilities and the outcome harms they are referring to. Then we can start making progress."

Children in Scotland cite the following ways in which risk can be take into account:

- conducting relevant impact assessments (building on existing data and evidence)
- commissioning research before making decisions when the evidence base is insufficient or unclear
- engaging widely with stakeholders through a variety of methods (roundtable discussions, public consultations, advisory groups, etc.)
- exploring a range of methods for engaging with the public about policy issues (including Citizen Assemblies)

- engaging those with lived experience of the policy issues being debated
- learning from international policy and evidence.

How can transparency of the decision-making process be improved?

The Children and Young People's Commissioner raises concerns around Scottish Government bill consultations being published without any draft legislation or concrete legislative proposals. This can result in ineffective pre-legislative scrutiny and poorly drafted legislation.

> "At the consultation stage, proposals are rarely published alongside a full Child Rights Impact Assessment (CRIA). This is unacceptable, inconsistent with legal obligations, and reduces the scope for effective scrutiny of legislative proposals."

The Commissioner also raises concern that government consultations are "not accessible, lack diversity in engagement, are not child-friendly or promoted in ways suitable to children". An inadequate consultation process can result in poorly drafted legislation. The Commissioner also criticises the Scottish Government's consultation e-portal which it says is designed with adults and organisations in mind, not for children and young people and does not seek to help them fully participate."

> "Article 12 of the UNCRC (UN Convention on the Rights of the Child) places positive obligations to ensure meaningful participation of children of all ages in relation to matters which affect them. Active measures must therefore be taken to create dedicated spaces for children and young people to engage in their own right and in ways that are accessible, informative, and fun."

Children in Scotland agree with this perspective, arguing there is a need to make complex evidence and data more understandable by sharing it through different formats like video, infographics, easy-read documents and via translations. There is also a need to explain why certain decisions have been taken (this is also relevant to the question below).

Not surprisingly, Transparency International UK focused its remarks on the importance of transparency in decision making. Specifically, it called for sufficient resourcing of "open governance across Scottish decision making" as a way to provide foundations for establishing "key principles and best practice to support effective decision making."

The roadmap to achieve open governance consists of three key steps:

- Transparency and participation must be recognised as human rights.
- The institutional architecture, policies and practices must exist to fulfil these rights and allow for effective control and oversight.
- These policies and practices must be supported by the necessary tools and the available infrastructure.

Transparency International UK also calls for consideration to be given to:

- Revising and streamlining the Scottish Ministerial Code and Civil Service Code, with consideration given to also applying a consistent approach to the MSP code of conduct.
- Extending the Lobbying (Scotland) Act 2016 to cover all forms of communications, in line with registers in Ireland and Canada, to ensure that the focus is on the lobbying itself rather than the medium through which it is made.
- Extending the coverage of the lobbying register to include civil servants, at least at the senior level, who have significant influence over the policymaking process, in line with best practice in Ireland.
- Appointing an Anti-Corruption Champion to monitor risks of corruption in decision making and the application of open governance principles in decision making.

Volunteer Scotland raise the issue of consultations occurring after decisions have been made (the examples cited are the programme for government and the Budget), meaning there are limitations for people wanting to input.

> "Ideally, the Government should provide public notification at the earliest stage when strategies or legislation are being developed or reviewed to ensure stakeholders have the opportunity to inform its development from the outset…
>
> When making decisions, the Scottish Government need to ensure that the process for submitting relevant evidence and insight is transparent and consistent. Similarly, if there is a need to make decisions without external input, the reasons for this need to be equally transparent."

In answering this question, FAI call for

1. Better documentation of processes and explanation of how this can be applied practically. Learning in this areas from other governments, like New Zealand.
2. Better access for Audit Scotland to scrutinise processes. Maintenance of a centralised database of projects and programmes, which Audit Scotland could interrogate, identifying gaps in processes.
3. Look at example of New Zealand Government's decision to proactively release Cabinet Papers – allowing the public to view why decisions occurred and the information leading to them.

The SWBG argue that currently, there is a lack of transparency about how Equality Impact assessments and Fairer Scotland Duty Assessments are used within the budget process.

> "There has not been consistent publication of the impact assessments by all government departments in previous years so it is not possible to fully scrutinise the process. SWBG looks forward to these publications and to improving openness in the impact assessment processes that are used within

decision making. The Equality and Fairer Scotland Budget Statement (EFSBS) should act as a way of documenting the analysis that informs the budget decisions providing a clear relationship between how decisions in the budget are driving towards the National Performance Framework. This would serve again to make the relationship between impact assessments and decision making more transparent to the public. What is critical is that such processes are used to inform decision making and not be conducted at the end of a decision-making process and made to fit a decision already taken. Again, the recommendations set out by EBAG include recommendations on the process of the budget which would allow for greater understanding of the impact of past spend and budget allocations. Including, in-year reports, a mid-year review and work with public authorities funded through the Scottish Budget to develop processes to report impact of spend.

SWBG also recommends producing a Citizen's Budget that links the budget announcements with everyday life. This would be an important step forward for the Scottish Government, making it a leader within the UK in transparency of budget information."

Carnegie UK suggest that the transparency of the budget could be improved, made all the more important given the move into another period of budget restrictions.

"It is imperative that the public and those that advocate for them are able to assess the quality of the evidence produced by civil servants to justify spending decisions. Transparency in decision-making would be greatly improved by opening up policy appraisal to greater involvement, scrutiny and debate."

Professor Jonathan Baron says the level of transparency depends on the decision.

"Transparency is important when an individual or small group makes decisions that affect a much larger, and possibly more diverse, group. However, secrecy is important for other decisions, such as those involving hiring, promotion, or assignment of people to roles, or decisions involving competition with an outside group, especially military decisions. Secrecy is easier when the decision-making group is smaller. Larger groups are more likely to leak. Transparency is usually needed for rule making, but it can be important for case-by-case judgments too, as when judges write "opinions" justifying their decisions."

Not surprisingly, the Audit Scotland submission calls for "clear audit trails" and the importance of "writing down and retaining what has been decided and why" allowing others to look back and understand the "rationale and the processes" that led to decisions being taken.

Paul Gray sets out what he considers to be the options around improving transparency:

- "One option would be for all advice on decisions to be made public much more quickly than it is at present. Currently much advice is governed by

conventions like the 30 Year Rule. On a personal note, as a public servant, I would have no objections to my advice being made public – subject of course to important considerations about the rights of individuals to confidentiality, for example.

- If the distinction between facts, analysis, and judgement is observed, another approach would be to be proactive in publishing the facts and analysis quickly.
- For key decisions, it could be required that a Decision Report is published, setting out the facts, analysis and recommendations that were taken into account, and the basis on which the final decision was reached. These reports could be published when the decision is made, or Decision Reports for a year could be published and scrutinised along with the annual accounts.
- There is one point I want to underline. The government of the day is not obliged to agree with the civil service. The government is elected, whereas the civil service is appointed. That distinction confers decision making powers on the government, which are not vested in the civil service. One issue which would militate against increased transparency would be the prospect that every time the government did not agree precisely with the advice of the civil service, this was characterised as a problem. It is in fact the opposite of a problem – it indicates a healthy relationship in which disagreement is possible, and where decisions are taken by the people elected to take them."

The Federation of Small Businesses (FSB) calls for greater transparency in Scottish Government budgets, citing the lack of transparency in how funding for business support during the pandemic was actually spend. They also call for more consistent and comparable presentation of budgets over years.

> "We believe robust and transparent financial and performance reporting on the part of government is key to supporting the long-term decision making required for economic recovery and future growth."

The Children and Young People's Commissioner also raises concerns around the transparency of the Scottish budget – "children are still not visible in the latest Scottish Budget".

> "There is a need for transparent, and accessible financial information in a sufficient level of detail. This is required to facilitate a child's rights analysis of the budget and determine impact on progressive realisation of economic and social rights.

> In line with recommendations from the UN Committee on the Rights of the Child, it is important that Scottish Government data identifies the components of the Scottish Budget that are allocated directly and indirectly to children."

How can decisions by the Scottish Government be more effectively communicated with stakeholders?

Use of social media was cited as an effective way for the Scottish Government to reach a wider range of people and stakeholders.

Murray Blackburn Mackenzie talks about "an emerging "them and us" culture visible in parts of the Scottish Government… Those who disagree with government are as deserving of timely, accurate, courteous communication as those who do not."

FAI point to the opaque nature of much of the Scottish budget documentation which make it difficult to understand how budgetary decisions are linked to government priorities and ultimately the outcomes that Government is prioritising.

> "Better and more consistent processes should make it possible to communicate more routinely the strategic fit for decisions and the rationale behind the particular policy options that are chosen. However, this must go hand in hand with a willingness to fully commit to transparency."

Audit Scotland sees it as "critical that taxpayers, users of public services and organisations across Scotland have clear and accessible information about that the Scottish Government had decided to do (and not do), the reasons for this and impact that this is likely to have on them."

> "Planning the way this happens as part of a wider communication strategy should generally be a key part of any project or initiative. This should also make it clear when people should expect to find out about the decisions that are likely to affect them."

The SWBG say that people need to feel that information is created for their engagement in the process rather than only formal consultation processes. It is also "important that people understand how the government makes decisions about what it prioritises and why."

> "Formal consultation processes provide an important element of participation but the initiative to reach wider groups sits with organisations who may not have specific funding to participate in the processes, this initiative should sit with Government and Parliament to ensure meaningful participation is an option. This could be done through funding to particular organisations to reach out to key stakeholders, examples such as the work of the Inclusion Scotland People led policy panel supporting consideration of the National Care Service is just one option that could be considered.

> The Scottish Government has committed to draw on expertise from groups including the Equalities and Human Rights Budget Advisory Group (EHRBAG) to support consideration on budget processes going forward. Within this process, ensuring particular efforts are made to hear from those who are

marginalised and often excluded from such processes is vital. For example, ensuring that disabled women, women from ethnic minority communities, women on low incomes and carers are heard in the public conversation is particularly important from a gendered point of view. Organisations such as the Glasgow Disability Alliance have highlighted the importance of disabled women's voices and the role of disabled people's organisations in the formation on policy. Furthermore, resources could also be published using plain English guides or easy read to make them accessible.

Recent work by the SPiCE unit offer good examples of trying to make budget information more accessible. Tracking budget spend once the budget has been delivered is an important step which at present there is a serious lack of public information on. This makes scrutiny and evaluation of budget spend difficult for external organisations or individuals. The complexity of spend in some areas through multiple public bodies contributes to the difficulty in accessing clear information. As part of wider budget scrutiny measures the Committee should look at budget review processes and tracking the impact of spend against national outcomes."

Ross Burnside, Senior Researcher, SPICe Research
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