

Finance and Public Administration Committee

13th Meeting, 2023 (Session 6), Tuesday 9 May 2023

Inquiry into effective Scottish Government decision-making

Purpose

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

- Professor Matthew Flinders, University of Sheffield
- Sophie Howe, Sustainability Futures and Wellbeing Adviser and former Future Generations Commissioner for Wales
- Professor Steve Martin, Director, Wales Centre for Public Policy, Cardiff University

2. The submission from Professor Flinders is contained in Annexe A. Annexe B contains an extract on the approach to decision-making in Wales taken from the Committee Adviser's research paper (more on which is set out below) which includes commentary on the approach taken by the [Wales Centre for Public Policy](#).

3. Annexe C to this paper provides further information about [The Well-being of Future Generations \(Wales\) Act 2015](#) and the role of the [Future Generations Commissioner in Wales](#).

Public Administration – effective Scottish Government decision-making

4. On 6 December 2022 the Finance and Public Administration Committee launched its [inquiry into effective Scottish Government decision-making](#), which seeks to explore the following issues:

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

5. The Committee issued a call for views and [received 28 submissions](#) and SPICe has produced a [summary of that evidence](#). The Committee also appointed Professor Paul Cairney as an Adviser to provide support to its inquiry, which included

producing a research paper on decision-making within the UK and internationally, including by Government.

Adviser Research

6. Professor Cairney gave evidence to the Committee on his research paper, [What is effective Government?](#) at the Committee meeting on [14 March](#). This research paper highlights that key to understanding effective Scottish Government decision-making is understanding what effective Government is. It also notes that, while Governments may set out broad principles to describe this, those principles may be contradictory in practice.

7. Professor Cairney describes the different approaches taken 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*." Throughout his paper, Professor Cairney highlights key messages and questions for the Committee to consider as part of its inquiry.

Committee inquiry: oral evidence

8. At its meeting [on 28 March](#) the Committee took evidence from Audit Scotland, Carnegie UK and the Fraser of Allander Institute. A range of issues were discussed including:

- the importance of clarity of purpose at the start of policy development and clarity over what is to be achieved (without which value for money assessments can be hard to make);
- Governments can be good at being accountable for some particular targets and outcomes (which can in turn incentivise good or bad culture and behaviour) but less so when it comes to how the decision was arrived at;
- good decision-making processes exist in Government but capacity issues and speed of decision-making makes prioritisation and following those processes challenging. It also favours decision-making focussed on firefighting rather than addressing longer term challenges and squeezes the time for data analysis and identification of data gaps at the start of policy development.
- cross-cutting issues need collective accountability, which is challenging to deliver especially when different departments are at different stages of the journey in policy development. Whilst different processes between policy areas may be reasonable, there is a need for an overall framework in which challenge happens (on a proportionate basis).
- in relation to transparency, there is a difference between 'discourse' and recording the outcome and why. Greater transparency is needed over the risks faced at the start of policy development. Record-keeping works well when it is integrated into the process.

9. At its meeting on [18 April](#) the Committee explored the New Zealand approach to policy making with Diane Owenga from the Policy Project. The Policy Project

seeks to build “a high performing policy system that supports and enables good government decision making”. Its focus is on policy development and advice rather than implementation and delivery. The Committee discussed the three frameworks - The [Policy Quality Framework](#), the [Policy Skills Framework](#) and the [Policy Capability Framework](#) used to foster improvement across all relevant organisations.

10. The Committee heard that the New Zealand’s Public Service Act 2020 was necessary in order to provide more mechanisms to facilitate effective working across departments and to tackle silo working. It also gave power to individual agencies to, at least once every three years, provide longer term Insights briefing on trends, risks and opportunities that may affect New Zealand, independently of Ministers. Although there has been an increase in external engagement during early policy development and through the process for developing longer term Insight briefings, it remains a challenge to enable greater engagement with those in more marginalised communities.

11. The quality of policy advice by civil servants is measured across the New Zealand public service using the same approach including 1) assessment by a panel of a sample of policy advice papers and 2) Ministerial policy satisfaction surveys which enable feedback to be provided. Of greater importance and value are the overall trends and supporting continuous improvement arising from these measurements rather than necessarily individual scores. This approach has raised the profile and value of improving policy advice as well as encouraging greater learning from best practice between policy areas. As part of a longer term move towards greater transparency, Cabinet Papers are proactively published within 30 business days of the final decision being taken by Cabinet, unless there is good reason not to publish all or some of the material.

12. At [its meeting on 25 April](#) the Committee heard from two panels of witnesses. In its first panel the Committee discussed with Dr Helen Foster, Ulster University and Alex Thomas, the Institute for Government, a wide range of issues including:

- the impact of ‘churn’ on both civil servants and Ministers, including on civil servants’ ability to provide expert policy advice to Ministers and on the continuity of policies and on evaluation of policy outcomes.
- whether the balance between the number of ‘generalists’ and ‘specialists’ remains right for the civil service and the need for some generalists to be “consciously anchored to a policy” to enable expertise to be developed and continuity from policy development to implementation.
- how increasing the accountability over how civil servants take decisions could support improvements in the decision-making process including areas such as record keeping and transparency.
- the need for clarity of roles and responsibilities of Ministers, civil servants and special advisers, and fostering good relationships between them all.

13. In discussion with the Scottish Financial Enterprise and Scottish Engineering, the Committee explored each sector’s approach to decision-making, as well as within the Scottish Government, such as:

- the importance to companies' success of a focussed long-term strategy, clearly and succinctly articulated, which then empowers others to deliver it.
- decision-making under time constraints and the ability to assess that being 80% sure of a decision is "close enough to be good enough" to take a rapid or considered decision, rather than trying to achieve 100% assurance that a decision is the right one.
- the importance to good leadership of transferrable skills such as building a good culture, lifelong learning and clarity over who takes what decision at what level.
- examples of what worked well in relation to the Scottish Government's engagement with business on decision making, including involving a mix of business and public bodies, moving at pace and involving genuine consultation.

14. On 2 May the Committee spoke with stakeholders representing Children in Scotland, Engender, Royal Society of Town Planners Scotland, and Scottish Council for Voluntary Organisations. A range of issues were discussed including:

- the importance of power/trust/value and time in ensuring that those engaging with the Scottish Government are able to openly contribute their views meaningfully and act as 'critical friends';
- the need for greater clarity of purpose in relation to any Scottish Government engagement activities so stakeholders are clear where they can influence along with parity of esteem in how their views are valued. In addition, engagement would be more effective if the Government learned from previous consultation and engagement (and then focussed on the gaps where more views were needed); one organisation should not be expected to represent a sector in discussions; and there should be better feedback to stakeholders on how their views are used and reasons for final decisions taken.
- Whilst there are pockets of good practice, a better approach to embedding core values, such as equalities, from the start of decision-making and to developing civil service knowledge and skills, is needed rather than relying on smaller external organisations to upskill staff. Civil service churn exacerbates this challenge. In contrast, in areas such as planning there is good quality collaboration, in part because civil servants are planners themselves so have a similar skill/ knowledge base to stakeholders.
- There was a sense that government should aim to 'do less, better', especially when finances are constrained. Too many policy aims had meant there was less resource/capital available to support delivery, and less time for developing the skills and training necessary for policy delivery. There needs to be a greater focus on delivery of already agreed commitments.

Engagement

15. The Committee has also undertaken engagement with former Ministers, former special advisers, former civil servants and current civil servants. Summary notes from the discussions on [28 February](#), [14 March](#), [16 March](#) and [21 March](#) have been published.

Next steps

16. The Committee will take evidence from the Deputy First Minister and the Permanent Secretary at its meeting on 16 May.

Committee Clerking Team
May 2023

Submission from Professor Matthew Finders, University of Sheffield

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

There are two very different types of answer to this question.

The first is a rather convention or textbook answer that would offer a relatively well-known set of principles such as transparency, equality, efficiency, proportionality, etc. These are important foundational principles but they do assume a form of decision-making and policy-making in government that is rational, calm, coherent and linear. This is rarely the context in which decisions are made - which leads to a second answer.

Decision-making and policy-processes are very often messy. This is the 'real world' of democratic governance - 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.

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

There is a big difference between the skills that civil servants have traditionally cherished and those that are required for the future of public governance. Put very simply, a world-class public service demonstrate the ability to facilitate mobility. That is, the mobility of people, talent and information across traditional organisational, professional and disciplinary boundaries. Civil servants increasingly need to understand and be able to access a range of different types of 'useful knowledge', and then present that information to ministers in an accessible manner. In many ways the role of the civil servant, especially in relation to senior positions and policy-advice is changing from being the traditional font of knowledge to now being the mediator or boundary-spanner connecting his or her department into the wider world. Facilitating mobility in and out of the civil service - the facilitation of braider careers - is crucial. The ESRC's Public Policy Fellowships provide a positive innovation, as does the Scottish Crucible initiative.

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

This depends a lot on the policy sector, on the context and on the level of civil servant we are discussing. 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. Innovative thinking and an emphasis on connective and catalysing capacity are probably the hallmarks of a world class public servant. They also indicate clear behaviours and cultural expectations.

I would also underline the importance of trust within decision-making processes and relationships. 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.

One final point. A focus on behaviours and culture goes beyond individuals. What are the collective organisational behaviours or capacities that need to be put in place - especially in relation to the emergent model of hub-and-spoke governance? How does the culture of the organisation inspire and support individual behaviour? These are the questions that public sectors and civil services around the world are generally very poor at asking and engaging with.

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

Once again there are two potential answers to this question.

One is the more conventional and bureaucratic answer. This would suggest that as a principle of good governance every piece of information should be logged and recorded in order to support effective policy-making and transparency. This is all well and good. It opens discussions about data management, data protection, algorithmic governance, etc. etc.

The second answer might, however, highlight the need for realism and proportionality. Recording and storing each and every piece of information will incur financial costs. There is no automatic guarantee that greater recording will deliver more effective government. There may well be some issues where people, organisations and communities want to be able to talk with honest candour about salient issues. The same might be said for policy advice at the very highest level,

hence longstanding civil service rules and the limits of the freedom of information legislation.

This is not an argument against transparency or recording - simply a note of caution about naive assumptions. 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 be to 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.

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.

Effective decision-making in the Scottish context probably involves a closer relationship with the public when it comes to decision-making. Prof. Paul Cairney (Stirling University) is an expert in this field. When it comes to 'best practice' then I would argue there is much to learn from the 'what works' network. Some of the existing what works centres may well have Scottish partners but I was interested to see that What Works Scotland closed in 2019.

The imminent launch of a first phase of Local Policy and Innovation Partnerships is very interesting and worth monitoring, as is the creation of new Parliamentary Thematic Research Hubs at Westminster. The NIHR-funded local authority research systems also demand close attention as they may produce insights about facilitating mobility, pilot innovations that could be upscaled and innovations in research-based upstreaming of interventions.

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

Differences are to be expected and to some extent are inevitable. They create welcome pools of disruptive thinking and policy innovation. The key issue is meta-governance and how the similarities exist and operate within a clear but broad framework. Once again, the answer to this question revolves around the balance between proportionality and pragmatism. The UK as a whole is increasingly defined by asymmetrical government but in many ways devolution to Scotland established a framework that should be able to flex. The need for this is obvious given the demands of delivering services across such a range of communities (densely populated cities to sparsely populated islands). There is no 'one size fits all'.

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

Critical challenge is vital. It prevents 'group think' and nurtures innovation. The culture of the government is responsible for providing and rewarding critical challenge - not any one service, individual or role. 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).

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

In many areas it is possible to assess risk-based assessments and evaluations of likely policy impacts. The law of unintended consequences will always exist but should not prevent action or innovation. It should also be recognised that doing nothing is also risks in many contexts, and that a risk free society is impossible. There is a massive risk industry that can support ministers in terms of assessing risk - but it is important to ensure that a risk averse culture does not emerge.

Two additional points.

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.

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

Is it transparency of the decision-making process or transparency around the reason for why a final decision was taken. I think these are two very different but related issues. It would be naive to think that all and every element of decision-making could be made in a totally transparent manner. But explanatory transparency once a decision has been taken seems an under-developed concept.

Extract from [Report: What is effective decision-making?](#)

By: Professor Paul Cairney

Government accounts of effectiveness: Welsh government

There is a more positive story of effective government in Wales (subject to the need to compare narratives with policymaking reality). Three key aspects relate strongly to principles of effective government and resonate with the ‘Scottish Approach’.¹

1. The systematic use of evidence

The Welsh Government is supported by organisations dedicated to gathering, synthesising, and sharing policy relevant information, including the Wales Centre for Public Policy (WCPP). The WCPP exhibits:

- A sustainable funding model, shared by the UKRI and Welsh Government. It helps to focus on evidence supply to the government and maintain the autonomy associated with UK Universities. The Scottish Government part-funded a similar but temporary initiative (What Works Scotland).
- A means to connect academic research capacity to policymaker demand as part of a coherent process, from identifying research needs in government, and relevant sources of evidence, and providing knowledge brokerage to ensure a common understanding between people supplying and demanding information.
- Continuous self-evaluation, to maintain policymaker and academic legitimacy.

Take home message: WCPP success should not be underestimated. Wider comparative research on evidence use in policymaking identifies a tendency for initiatives to emerge without proper design or evaluation, and to struggle to endure long enough to produce tangible results (Oliver et al, 2022). Q: What is the equivalent process in Scotland to the use of the WCPP?

2. Legislation to foster anticipatory policymaking

On the one hand, the Wellbeing of Future Generations (Wales) Act 2015 symbolises ‘unique and pioneering’ legislation to connect Welsh policy systematically to the UN Sustainable Development Goals (SDGs) (Nesom and MacKillop, 2021: 432). On the

¹ These notes are informed by background information provided by Professor Steve Martin, Wales Centre for Public Policy (WCPP), <https://www.wcpp.org.uk/about/person/professor-steve-martin/>

other, 'the Act is vague, open-ended and aspirational, expecting prompt local implementation without much national guidance or support' (2021: 432).

This contrast reflects a dilemma of effective government: a government may (1) set a clear ambition, to focus national accountability and performance management on well defined long-term goals, but also (2) foster decentralisation, flexibility, collaborative working, and the co-production of policy to make sense of those goals in local contexts.

Take home message: The WFG Act should prompt mutual learning between the Welsh and Scottish governments, especially since the latter has adapted its National Performance Framework to perform a similar function, and has proposed a Wellbeing and Sustainable development Bill and Future Generations Commissioner. Q: how do such approaches work in practice? What contributes to their success?

3. The institutionalisation of partnership working

Scotland and Wales share the sense that devolved governments can pursue more consensus-seeking 'policy styles' than the UK government, to reflect factors such as:

- *Polycymaking capacity.* Smaller governments have greater incentives to form partnerships with the organisations that can help them make and implement policy (Cairney, 2008; 2009).
- *The scale of polycymaking.* A smaller political system, and fewer participants, may allow closer relationships between policymakers and stakeholders ('everyone round the table' - Keating et al, 2009).
- *Trust in professions.* Closer relationships with public sector organisations and professions may allow them to build more trust and rely less on NPM²-style audit and performance management (Greer and Jarman, 2008).
- *Polycymaking legacies.* Devolved governments were able to resist some NPM reforms before devolution, making it easier to reform them after 1999.

The Welsh Government developed a reputation for partnership working between central government, local government, and stakeholders (the 'Welsh way' or 'made in Wales', comparable to the 'Scottish approach'). Early initiatives include (1) formalised 'partnership councils' to encourage close relationships between central and local government, and central government and the private and third sectors, as well as to encourage joint working (tri-partism) between business groups and unions, and (2) reforms to local government to produce unitary authorities with the same boundaries as health authorities (Entwhistle, 2006). The Welsh government has also pursued a single public sector profession in Wales ('One Welsh Public Service' - Farrell and Law, 2021). The potential impacts on effective government include:

- *To combine the merits of multiple effective government principles.* If governments enjoy open and meaningful relationships with a wide range of

² New Public Management (NPM) seeks to reduce government and apply private sector methods to policymaking.

stakeholders, they can boost co-production, policymaking transparency, deliberation, and consensus-seeking (essential to long-term planning).

- *To coordinate coherent policy and policymaking integration.* Effective partnership working allows a central government to influence the large number of organisations essential to policy delivery, and establish high ownership of policy (see Connell et al, 2019; 2021 on Welsh Government 'metagovernance').

Take home message: Experiences of managing complex policy delivery systems should prompt mutual learning between the Welsh and Scottish governments, since both seek to foster collaborative working across (and outside) government. In both cases, we should relate a convincing story of distinctive and successful ways to govern with their mixed experiences of success. Q: how have these approaches worked in practice? What contributed to their success or failure?

The Well-being of Future Generations Act 2015 ("the Act")

As explained in this [Senedd Research Briefing](#) from 2018 "The Act is concerned with improving the social, economic, environmental and cultural well-being of Wales. It aims to put sustainable development at the centre of decision-making, and is designed to ensure actions meet the needs of the present, without compromising the ability of future generations to meet their own needs. The Act defines sustainable development as: The process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals."

The Act puts in place a range of measures including seven well being goals for Wales and places a duty on public bodies (including local authorities and the Welsh Government) to show how they will achieve those well being goals. There is also a sustainable development principle' that sets out how public bodies should go about meeting their duties under the Act. There are then "five things that public bodies need to take into account to show they have applied the sustainable development principle. These are known as the 'five ways of working':

- *Long-term*: The importance of balancing short-term needs with the need to safeguard the ability to also meet long term needs;
- *Prevention*: How acting to prevent problems occurring or getting worse may help public bodies meet their objectives;
- *Integration*: Considering how the public body's well-being objectives may impact upon each of the well-being goals, on its other objectives, or on the objectives of other public bodies;
- *Collaboration*: Considering how acting in collaboration with any other person (or different parts of the body itself) could help the body meet its well-being objectives; and
- *Involvement*: The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves."

The Act also establishes Public Services Boards (PSBs) for each local authority area in Wales which have a range of representatives from statutory public bodies as members such as health boards and local authorities, the area Chief Constable and at least one voluntary organisation. The purpose of each PSB is that it "must improve the economic, social, environmental and cultural well-being of its area by working to achieve the well-being goals."

Future Generations Commissioner for Wales

Sophie Howe was appointed by the Welsh Government as the first [Future Generations Commissioner for Wales](#) in 2016 with her term ending in February 2023. The Commissioner's role is to promote the sustainable development principle,

act as a guardian for the interests of future generations in Wales, and to support the public bodies listed in the Act to work towards achieving the well-being goals.

The Commissioner can undertake a number of actions including to: provide advice to promote and encourage public bodies to work to meet well-being objectives; carry out research, and to review of how public bodies are taking account of the long-term impact of their decisions. The Commissioner can also make recommendations to a public body about the steps it has taken or proposes to take to set and then meet its well-being objectives.

In 2022 the Commissioner [reported her findings](#) on a review of the Welsh Government and how it had applied the Act and met its duties. In that report the Commissioner identifies, in three core areas of People and Culture, Process and Public Sector Leadership, the progress made in embedding the Act and areas where further improvement is needed. In considering all the findings the Commissioner provides the following overarching recommendations:

- “The Well-being of Future Generations Act and the extent to which it has been embedded in the DNA of Welsh public policy development and delivery continues to be world leading.
- The reach of the Act, enthusiasm and commitment for what it aims to achieve has extended beyond those organisations who are covered by the legislation.
- Its success to date has resulted more from leadership and commitment than embedded processes.
- Clear leadership, continual communication and constant review will be needed for the Government to move successfully to the next phase of implementation.”