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AUDIT SCOTLAND

Public service reform in Scotland: how do we turn rhetoric into reality?

2024

Executive summary

Scotland's public services are facing unprecedented leadership challenges filled with dilemmas, invidious choices, and uncertain outcomes. We know from our experience of Christie[1] that a commitment to addressing inequalities and delivering sustainable people-centred public services based around effective local collaborative leadership by many public sector leaders will not necessarily be matched in practice by large scale improvements in services and outcomes within communities.

As demand increases and budgets are put under ever greater pressure, it becomes even harder for public sector leaders to improve public services, make the shift towards prevention, and work collaboratively with others to achieve positive shared outcomes.

The environment within which public sector leaders operate also often conspires against these things.

If we are to transform Scotland's positive rhetoric of public service reform into true reality on the ground, a number of important changes are needed:

- a radical shift towards more collaborative leadership models supported by decluttered and redesigned accountability structures
- greater trust placed in public sector leaders to make change at local level supported by more effective accountability models for local public service leadership, performance, and the achievement of improved outcomes
- a radical shift from tactical to strategic public service reform driven across both spheres of government (national and local), supported by a clear national plan or roadmap for delivering improved national and local outcomes
- a change of culture that recognises the value of innovation and actively manages uncertainty, risk, and potential 'failure'
- governance and accountability models (including how external scrutiny operates) that positively reward and reinforce behaviours and outcomes that align with agreed public service reform values and ambitions (prevention, place, partnership, performance)
- a step change in levels of public and third sector engagement in the planning and delivery of public service reform
- major improvements to better promote what is working and share good practice

[1] The Christie Commission report on the future delivery of public services, June 2011

Introduction

It is widely accepted that we are living in the most challenging context for public service delivery in living memory. We are facing leadership challenges the scale of which will call for the very best from public sector leaders as they seek to shape and negotiate a turbulent and challenging future.

We can anticipate a future filled with intractable dilemmas, invidious choices, and inevitable pain and protest. Some of this is already manifesting itself as public concerns about proposed cuts to local services and increasing public frustration with aspects of NHS and social care performance become more visible and widespread. Public sector leaders are themselves becoming more vocal about the tensions they are managing, with many now talking openly about the personal anguish and in some cases despair they are feeling.

A shift towards prevention and reducing failure demand is key to delivering more sustainable public services. Yet, because of issues such as the ongoing impact of Covid-19, a cost-of-living crisis, static or reducing budgets, and pre-existing service demand pressures, public services are finding it almost impossible to pivot towards prevention in the ways that they know are needed.

The financial imperative for reform becomes ever greater by the day, but the immediate pressure to 'balance the books' is contributing to short-term thinking and service responses which are inhibiting Three Horizon[2] system change and transformation. The demands of Horizon 1 (i.e. the here and now) are too often crowding out Horizon 2 (innovation) and Horizon 3 (system transition).

This message is reinforced by the March 2023 Scottish Fiscal Commission Fiscal Sustainability Report[3] which concluded that "*the Scottish Government will face significant challenges in funding the future provision of devolved public services in Scotland*".

In this context, a number of complex and inter-related issues need to be addressed if we are to deliver large scale transformation and reform of public services. These include:

- Leadership (political and managerial), organisational culture, and behaviour
- Governance and accountability, and incentives for change
- Delivering Christie: community voice and engagement, prevention, place, partnership leadership, and performance
- Driving system change and transition

[2] A Three Horizons model of long term change, International Futures Forum
[3] Fiscal Sustainability Report – March 2023, Scottish Fiscal Commission

These issues formed the basis for the jointly convened Royal Society of Edinburgh/Audit Scotland roundtable discussion on public service reform. This event brought together a range of key national academic and policy experts and public sector leaders with the aim of generating fresh and useful insights into the current state of public service reform in Scotland at a time when there is widespread recognition that past approaches to delivering large scale system change have been largely unsuccessful.

Rather than describing the known problems which have already been well rehearsed elsewhere, the discussion focused was on what can we do now to make the change that we all recognise is needed.

Christie and 'place'

The 2011 Christie Commission report set out a series of public service reforms which aimed to address the 'systematic defects' and 'fragmented' system that hampers joint working to deliver better outcomes.

The principles have evolved into what has become known as the '4 Ps' – people, partnership, prevention, and performance.

A key area of focus for Christie was an emphasis on 'place'. The report stressed the importance of empowering local public sector leaders and empower local communities so that they have more control over decisions that affect their lives.

Part 1: Scene setting and context. Leadership, organisational culture, and governance

The first part of the discussion opened with comments on how the framing of leadership, organisational culture, and behaviour are at the heart of creating a clearer and more compelling narrative about the need for public service reform and the positive benefits that can flow from it.

The need for a shift towards more collaborative leadership and decluttered accountability structures

Participants suggested that current public sector leadership models in Scotland are too focused on how well individuals lead their own organisation, or work in their particular sector (e.g. local government, NHS, police and fire). This mentality is fostering competition rather than collaboration and producing winners and losers in different parts of the public sector. It was felt that an unintended consequence of these leadership models is that they 'protect' and reinforce existing models of public service delivery, especially in the health service, inhibiting the scope for organisations to pivot towards alternatives which might focus more effectively on prevention and deliver better shared outcomes.

Several speakers highlighted the complex web of public bodies and accountabilities in Scotland (a governance structure they termed 'organisational and accountability spaghetti') which was felt to be getting in the way of public bodies and their partners best meeting the needs of local communities. To further unpack this idea, participants posed several questions for consideration: How are decisions about change made? How can timely decisions be made when there are complex, multi-layered structures of accountability such as councils, NHS boards, government, local, regional, and national agencies that must all agree on a course of action?

Overall, it was felt that models of accountability and incentives are not designed in ways which encouraging collaboration, partnership working, and shared models of success. This needs to change.

The importance of trust and accountable local public service leadership

The important role of parliamentary and political oversight of public services and how this interacts with operational leadership and accountability for service performance and delivery was discussed. The overlapping roles and accountabilities of the Scottish Parliament, Scottish Ministers, the Scottish Government, Accountable Officers, NDPBs, and agencies were noted. In this context, the extent to which accountability truly rests with public bodies and their boards was questioned. It was stressed that this is not an abstract governance question, but one which has important, real-world consequences. For example, when significant delivery failures arise which generate media or parliamentary interest, how Scottish Ministers or the Scottish Government choose to respond directly influences the future actions and behaviours of leaders at all levels across the public sector.

To this end, a provocative question was posed: if national public sector delivery organisations cannot be separated from politicians under their accountability, is public sector reform hogtied from the outset?

It was argued that current accountability arrangements also work against services being redesigned in ways which are more person-centred, given their starting point is generally 'the service' rather than the person that service is intended to serve.

The need to recognise the value of innovation and active manage uncertainty, risk, and potential 'failure'

Speakers noted that oftentimes, solutions are lost and we miss the opportunity to deliver time-critical change because of risk aversion and fear of failure. Speakers referenced '*the terror of error*' as a deterrent to innovation and suggested that this diminishes the boldness and drive of leaders at a time when this is needed more than ever. It was suggested that, at present, we are largely avoiding rather than actively managing risk and this needs to change if the system is to learn from its mistakes and continuously improve.

Shifting into more positive territory, participants reflected on how during the Covid-19 pandemic, public bodies (councils, health boards, and Integration Joint Boards (IJBs)) and their partners in the third sector and within local communities truly "disobeyed boundaries" and delivered service changes and transformations at a pace and scale that would have been unimaginable in normal times (for example, implementing new services in days or weeks, rather than months or even years). It was felt that, whilst the unprecedented additional funding available during this time was a contributing factor, other aspects were equally important. These included a collective recognition that innovation was essential, a shared acceptance that high levels of risk and uncertainty would have to be lived with ('*No one knew what the answers were or whether some of the things we had to do would work*' - roundtable participant), and that pragmatic decisions had to be made about loosening governance and accountability arrangements.

Whilst caution was expressed about mythologising this difficult period, given the policy and delivery failures during that time which are now becoming apparent, there was a consensus that the positive lessons from this period should continue to be applied. However, the concern raised by several participants was that, rather than 'building back better', we are now seeing organisations revert to type and focusing on their own survival rather than the common good.

The need for a shift from tactical to strategic public service reform

There was a belief amongst roundtable participants that, to date, Scotland has taken a tactical approach to public service reform. Whilst some examples of successful reform were cited (e.g. the creation of new national Police and Fire and Rescue Services), these have largely been sector-specific whilst reform that has been designed to address more complex, cross-cutting issues (e.g. closing the poverty-related attainment gap, shifting care from hospital to community-based settings, tackling homelessness) has generally been less successful.

It was suggested that this tactical approach to public service reform will be insufficient to address the range and scale of challenges facing Scotland if it truly wants to be a prosperous, healthy, and successful country. A more radical and holistic approach to public service reform, backed by a clear plan for how change will actually be delivered, is now needed. Whilst recognising the significant and real financial pressures facing central and local government, the participants felt that the public resources available in Scotland remain significant (over £16b annually) and that better ways of deploying them are needed. This will require difficult choices to be made, such as deciding whether to pause or halt some existing and possibly well-liked public services, or radically changing how and where services are delivered in future.

However, for that to happen, politicians and the public need to be provided with a compelling narrative for change that captures their attention and gives them hope for the future, whilst at the same time being honest about the scale of the challenges that lie ahead. It was felt that at present, reform is in danger of being seen as simply a euphemism for service cuts and so a more positive narrative and vision is needed. Additionally, the public needs to be more actively involved in the choices and decisions that lie ahead.

The importance of engaging with the public and the third sector on the planning and delivery of public service reform

The need to think beyond the public sector when planning and delivering activities designed to improve outcomes within communities was highlighted. It was noted that, during the Covid-19 pandemic, third sector organisations were as vital as local authorities in delivering public services, displaying an agility and understanding of local communities that Scottish Government lacked. Despite its central role in delivering the national pandemic response, the roundtable noted the widespread feelings of lack of parity of esteem between the third sector and local government partners and highlighted longstanding concerns about how late and short-term funding of third sector bodies can impact on the viability and sustainability of some critical charitable and advocacy organisations.

Prevention

This part of the discussion focused on why prevention is important and why we seem to find it so hard to make the shift to preventative models, with some glimmers of hope of good and exciting things that are already happening across Scotland highlighted by roundtable participants.

Scotland's positive policy context and commitment to prevention is not being matched by our performance

Roundtable participants acknowledged the long-standing policy commitment in Scotland to place prevention at the heart of public service reform, most famously articulated by Christie. However, the consensus was that Scotland has not capitalised on this ambition. Despite notable population –health- based interventions, such as

minimum alcohol pricing, it was felt that much prevention-based activity, although worthwhile, is tertiary or secondary (i.e. concerned with early detection and minimising negative health or social impacts) with too little emphasis on primary interventions (i.e. avoiding disease or negative social impacts before they occur). This was thought to be limiting and diluting the overall impact of preventive work across the public sector.

A major concern shared by participants that many key indicators of population health and well-being are now moving in the wrong direction (e.g. life expectancy and wider health outcomes, levels of inequality). One speaker cited evidence from Public Health Scotland (PHS)[4] which showed that, at a time of shrinking population, the level of disease in Scotland is projected to increase by 21% by 2043. This sobering statistic should be seen as a call to arms towards a refocused, cross-government approach to prevention if we are to address the root causes of the issues which determine positive health and economic and wider social outcomes for individuals and communities across Scotland.

The need for a clearer national plan or roadmap for delivering improved long-term change

The lack of a clear overarching plan or set of measures which would help Scotland track progress on its prevention journey was seen as a particular problem. Participants felt that, whilst the National Performance Framework (NPF) had historically been seen as a vehicle for measuring progress, it had not gained sufficient traction across the public sector. The absence of clear and consistent incentives for public sector leaders to make the shift towards more preventative service models which will deliver better long-term outcomes was highlighted, given the heavy emphasis that most public sector performance reporting and accountability arrangements place on core service performance and simply "doing what we have always done well or better".

The social and economic benefits of addressing failure demand were highlighted. For example, a study from the British Medical Journal[5] calculated that for every pound spent on preventative work in health and social care, the return on investment was £14. Furthermore, the return on investment is even better when the intervention is further upstream (i.e. primary prevention like vaccination and immunisation). Similar research by the IPPR[6] on the positive benefits of investing in preventative approaches to addressing the root causes of poverty in Scotland was also noted. The absence of effective accounting for preventative spend in current budget setting and financial reporting processes was seen as an important gap in our current understanding of how resources are allocated and deployed across the public sector. Recent work from Demos[7] on PDEL (Preventative Departmental Expenditure Limits), which would create a new government expenditure category for this purpose, was highlighted. This would allow for auditable definitions of prevention.

[4] Putting prevention at the heart of public health, Paul Johnston, January 2024
[5] Return on investment of public health interventions: a systematic review, BMJ.
[6] Tipping the scales. The social and economic harm of poverty in Scotland, IPPR, 2023.
[7] Revenue, capital, prevention: A new public spending framework for the future, Demos, 2023.

The need to better promote what is working and share good practice

Participants expressed frustration at the lack of visibility of important projects which are making a dramatic difference to peoples' lives in positive ways. The 'hidden' nature of much of the positive preventative work which is taking place across Scotland was seen as unhelpful in engendering political and community support for a more preventative approach to service delivery. The example of HMYOI Polmont was cited. Previously, there were hundreds of under 18s in prison and now there are less than ten. Speakers noted the impact of effective work within communities which is preventing young people entering the prison system with the likelihood that many lives will be improved as a result. It was stressed that this new way of working, in common with many others, was introduced not through changes to laws, but through a long-term vision for change and hope, supported by strong leadership within the community justice system.

The roundtable questioned '*why we aren't 'spreading the good stuff' in Scotland*'? It was felt that, despite the existence of many bodies with direct or indirect responsibility for highlighting and sharing good practice, the overall architecture for supporting system change in Scotland is fragmented and incoherent.

Delivering Christie: community voice and performance management

This part of the discussion focused on how public bodies need to work differently with individuals and communities to give them more control over their lives, particularly in relation to the planning and delivery of services in their local area.

Progress is being made in delivering Christie, but not quickly enough and we may be overlooking lessons learned during Covid-19

The starting point for this part of the discussion was the Christie Commission quote: "*Scottish Government should work together in an urgent, sustained, and coherent programme to reform and improve Scotland's public services… ensure that public services are built around people and communities…capacity and skills to work to build up their autonomy and resilience*".

The roundtable acknowledged that there are some exceptional public sector and community leaders in Scotland, and that Scotland has strong shared values as a nation (we want to tackle poverty, address health inequalities), both of which are important assets we need to capitalise on.

The discussion led the roundtable to reflect further on some of the positive developments that took place during the Covid-19 period. Speakers shared findings from a listening exercise[8] conducted by the Scottish Covid-19 inquiry that sought

[8] Let's Be Heard – Sharing Scotland's COVID Experience

better to understand peoples' experiences of working in public services or grassroots community organisations. That exercise highlighted that there was a 'lot of Christie' taking place at that time and many of the traditional defensiveness or power relationships ossified in the pre-pandemic public sector structures were broken down and '*people just made stuff happen*.' However, as discussed earlier, it was noted that in many cases, peoples' ways of working have now shifted back to 'how things were' pre-Covid.

Participants shared multiple examples of exciting projects that are taking place across Scotland where agents of the state are enabling communities and individuals to do for themselves what they increasingly accept the state and public bodies cannot do well. The roundtable reflected on what they saw as an increasingly common set of assumptions amongst those responsible for planning, overseeing, or delivering public services, namely: that government needs to ask itself some fundamental questions about where its role should begin and end in providing services, as many communities and third sector bodies may be better placed to meet the needs of local communities. It was suggested that giving communities more voice and agency could lead to better problem-solving and more efficient spending.

We need to change governance and accountability models to reward and reinforce different models of behaviour

It was suggested that part of the failure to implement Christie has been an assumption that if we rely on the innate goodwill of public servants, good things will inevitably follow. It was argued that whilst the vast majority of people that work in public services are interested in making things better, these people are surrounded by a very strong network of drivers (e.g. culture, policies, performance reporting obligations, financial constraints) which make improvement difficult. These drivers must be dismantled or redesigned coherently, underlain by a sense of urgency and a commitment to sustained action, and in ways that more directly reflect the Scottish Government's reform ambitions around sustainable, person-centred public services.

One speaker highlighted the work of Julia Unwin on kindness[9] and the importance it places on putting relationships between public service organisations and individuals and communities, at the heart of one's practice. They noted Unwin's work differentiates between a rational and a relational lexicon of public service delivery. Rational lexicon includes things like scrutiny, value for money, risk, and performance targets. Relational lexicon sees the whole person and focuses on the total outcome of the intervention. This prompted a useful discussion within the roundtable on the extent to which public servants currently feel sufficiently empowered to respond flexibly to the needs of individuals within the procedures and bureaucracies within which they operate.

Is there an 'implementation gap' or a problem with policymaking?

The roundtable spent some time discussing Scotland's widely recognised 'implementation gap', wherein bold and progressive policy ambitions in key areas such as improving the nation's health, addressing long-standing issues associated

[9] Kindness, emotions and human relationships: The blind spot in public policy, Julia Unwin CBE, 2018.

with inequality, and improving the country's economic performance (which appear to have widespread political and managerial support) regularly fail to be delivered effectively on the ground. Whilst many factors impact on the effectiveness of policy implementation (e.g. resources, leadership, effective management, and good governance), the roundtable suggested that the regularly reported critique of Scotland's implementation gap' potentially masks an underlying problem of policy design, given that truly effective policy design should enable the ambitions underpinning any policy goals to be delivered in practice.

Part 2: Further thoughts and next steps. The need for change

The roundtable reflected on the various factors which have contributed to Scotland's failure to deliver the hopes and ambitions of Christie 10-years on.[10] Whilst everyone recognised the risk of the same group coming together in another 10 years, once again bemoaning Scotland's failure to have made the changes needed to deliver improved and sustainable public services, the roundtable nevertheless felt a sense of hope for the future.

That hope was fuelled partly by a recognition that the need for change is more pressing now than it was at the time of Christie. Financial projections suggest the Scottish Government's £1.5 billion budget gap for 2024/25 could rise to £1.8 billion by 2028/29. This alone is forcing the Scottish Government, public bodies, and local government to start thinking more radically about public service reform and transformation. Alongside that hope was a pragmatic recognition that affecting positive change in such difficult and challenging circumstances is not a guarantee, even if the appetite for change is there. Although there appears to be an increasingly wide range of leaders across the public sector committed to collaborative leadership, reform, and transformation, the 'can do' culture displayed during the Covid-19 pandemic is dissipating and many public sector leaders are struggling to balance the books and 'keep the show on the road'.

The importance of trust

In that context, the roundtable spent some time discussing the importance of building trust based on open and strong relationships at both national and local levels, if there is any prospect of transformational change being delivered. During the discussion, there was widespread recognition that, despite the existence of the Verity House Agreement between COSLA and the Scottish Government, there still appears to be much work to do in building mutual trust and confidence between national and local government. This is likely to be a consequence of longstanding frustration on the part of local government about perceptions of parity of esteem between the two different spheres of government (local and national) and concerns about how well the views and concerns of local government are reflected in Scottish Government policymaking.

[10] Christie's clarion call can't wait another 10 years, Stephen Boyle, Auditor General for Scotland, September 2021.

This sits alongside frustration across the local government community about the impact of Scottish Government ring-fenced funding on the autonomy of councils and their ability to direct resources towards local needs and priorities. From the Scottish Government perspective, the apparent lack of trust was considered to reflect a longstanding sense of frustration with local government's perceived ineffectiveness in delivering national policy commitments following the 2007 Concordat between the Scottish Government and COSLA. The feeling being that this has impacted directly on public perceptions of the competence and effectiveness of the Scottish Government.

Political appetite for reform

The unprecedented challenges facing local and national politicians at this time was discussed by the roundtable, alongside the important responsibility placed on public sector leaders to help them negotiate the difficult path that lies ahead as we collectively strive to deliver improved public services.

Alongside the need for a more positive and compelling narrative around public service reform and transformation, the roundtable highlighted the need for national and local politicians to 'hold their nerve' and be daring in their commitment to realising the ambitions of Christie and the Scottish Government's own reform agenda. The roundtable recognised that achieving that vision of addressing inequality, supporting a stable transition to net zero, and delivering sustainable person-centred public services will take time and there are likely to be many setbacks and potential blind alleys on the way. The historic tendency of seeking to jump from one 'silver bullet' solution to the next must be avoided.

In an environment of 'retail politics' and a public that is increasingly sceptical of politicians' ability to improve their daily lives, this risk of deferring to the path of least resistance is greater now than ever before. It was felt that, in that context, the need for a shared vision for reform which is owned both politically and managerially becomes even more important, as does the onus on public sector leaders to deliver the change they have committed to. It was felt that we need to move beyond where we already are, with a generalised ethical and emotional buy-in to reform Scotland, to a place where there is clear and well-coordinated collective mobilisation towards reform based on a shared and agreed programme of change.

The importance of public engagement was also discussed, with one speaker highlighting the high levels of political literacy found in Nordic countries. They noted that this is accompanied by a trust in taxation because of an overall understanding and interest in the role and work of government. To this end, speakers reiterated the importance of having a persuasive narrative, the effective framing of issues framing of issues, and the need to capitalise on windows of opportunity as they arise.

The scope or need for structural change

The roundtable discussed the issue of structural reform and what role, if any, it might play in helping to deliver more sustainable public services. In doing so, it recognised that at present, there appears to be little appetite politically for change of this kind. Instead, public service reform is framed more around voluntary collaboration across sectoral and organisational boundaries. Unsurprisingly, given the contentious nature

of this topic, a range of views emerged with no clear consensus on this matter. There was recognition that, if one were to start with a blank sheet of paper, one would not design the complex and at times overlapping network of public bodies that currently exists in Scotland. Whilst this clearly implies that, in the long term, structural change might create efficiencies, differing views were expressed on whether the scale of these benefits would outweigh the short to medium-term negative impacts (cost, service disruption, loss of expertise and institutional memory, etc.), even if there were a consensus on the ideal structure and political will for change – neither of which are currently in place.

Alongside disagreements amongst the roundtable concerning the merits or otherwise of structural change, there were differing views on the extent to which efficiency should be at the centre of future reform activity. The roundtable concluded that, given the financial pressures facing public services, efficiency must certainly be a factor driving change and reform, every pound of public money needs to be used wisely more than ever. However, we also need to focus on doing better things and making a shift towards more person-centred, prevention-based public services. Seeking efficiencies in the name of perpetuating the status quo would not be right, particularly if this means propping up fundamentally flawed services.

The potential impact of the Scottish Government's no compulsory redundancy policy was discussed briefly. The roundtable recognised the rationale for this policy and its perceived importance within government. However, its impact on the budget choices available to public bodies and the constraints it places on the scope for radical organisational redesign was noted. This is at a time when, as the Auditor General has reported,[11] the Scottish Government faces significant staffing cost pressures and is committing to limiting workforce growth as part of its Medium-Term Financial Strategy (MTFS).

Verity House Agreement

Following on from the earlier discussion about the apparent lack of trust between national and local government, the roundtable briefly discussed the Verity House Agreement (VHA)[12] and in doing so, acknowledged the significance of its commitment across both spheres of government to tackle poverty, transform the economy through a just transition to net zero, and deliver sustainable, person-centred public services.

Whilst the symbolic value of those shared commitments was welcomed by the roundtable, it was felt that, without a shared and agreed programme of change underpinning the commitments, it was not clear how they would be delivered. As one speaker put it: '*hope is not a method of actually achieving something*'.

Audit and accountability

Given the earlier discussions about the negative impacts current public sector accountability regimes are seen to be having on the behaviours of public bodies, the roundtable spent some time discussing and exploring what this might mean for

[11] The Scottish Government's workforce challenges, Auditor General for Scotland, October 2023.
[12] New Deal with Local Government: A Partnership Agreement, June 2023, Verity House Agreement, Scottish Government and COSLA

the role of external scrutiny, such as audit and inspection. Difficult questions were posed by the roundtable about how external scrutiny might need to change if it is to play a more active role in assessing and reporting on the progress that public bodies individually and collectively are making towards delivering key public service reform outcomes centred on place, partnership, prevention and progress towards longer-term outcomes.

The rationale for, and importance of, current audit arrangements reflecting the formal accountability arrangements that flow from the Scottish Parliament into the Scottish Government and outwards to individual accountable officers and their respective management responsibilities, was highlighted. It was noted that this inevitably reinforces individual rather than collective responsibility and generally focuses on individual organisation or single sector (e.g. NHS, colleges, police, fire, prisons) performance.

The need to balance this 'traditional' model of audit and accountability with new and complementary approaches which focus more on place, partnership, prevention, and longer-term outcomes was recognised, and examples were cited where this is already happening (e.g. whole-system audit work on health and social care).

The need for new and different models of scrutiny

Balancing the demands of the here and now ('*People care about how well hospitals, GPs, and schools are performing. It matters to them and their families'* - roundtable participant) with a stronger focus on how well public bodies are planning for the future was seen as a critical component of any revised auditing regime. Currently, shifting towards more preventative service models presents a challenge for external scrutiny given the finite resources available for audit and inspection. However, demonstrating a clear shift towards new models of scrutiny which more explicitly and consistently focus on place, partnership, prevention, and performance is something that the Auditor General is committed to.

The extent to which audit and inspection inhibits change out of a fear of 'getting caught out' was discussed, referencing Onora O'Neill's Reith Lecture[13] on this topic. The importance of audit and inspection being balanced in its reporting, highlighting the good as well as the bad, was stressed. The feeling amongst the roundtable was that scrutiny bodies must work to understand and accept the potential for failure, given a complex and uncertain operating environment. It was felt that if innovation is to be supported, scrutiny bodies need to adopt a different attitude towards risk and learning. This led to a wider discussion about the environment within which 'scrutiny' operates, including the Parliament and media where there continues to be an undue focus on failure rather than success and a general view that when things go wrong, 'heads must roll'.

[13] Without Trust we cannot stand. Reith Lecture 2002, Baroness Onora O'Neill
[14] NHS Scotland Health Boards and Special Health Boards – Blueprint for Good Governance, Scottish Government, 2019

It was suggested that delivering fundamental changes in the way in which audit and inspection operates (i.e. culture, focus, and the adoption of more innovative scrutiny approaches) would require more changes to be made to the wider governance and accountability landscape which applies to local government bodies, health boards, IJBs, and NDPBs and agencies.

Next steps

The RSE and Audit Scotland will use the findings of this roundtable discussion to inform their respective programmes of research/policy commentary, influencing, and audit, reporting on Scotland's progress in delivering system-wide change and reform which delivers more sustainable, person-centred, public services in line with the ambitions set out in the 2011 Christie report.

Appendix 1: Roundtable attendees

Present: Stephen Boyle, Antony Clark, Sarah Davidson, Professor Jim Gallagher FRSE, Professor Ima Jackson FRSE, Professor Michael Keating FRSE, Karyn McCluskey FRSE, Peter Reekie FRSE, Lorraine Sanda, Professor Nick Watson FRSE

Staff present: Gwynneth Redemann (RSE Policy Advice Officer)

Stephen Boyle

The Auditor General is appointed by the Crown, on the recommendation of the Scottish Parliament. The independent post was created under the Scotland Act 1998 to help ensure that public money is spent properly, efficiently and effectively.

Stephen Boyle started his term as Auditor General in July 2020, and he is also the accountable officer for Audit Scotland. He is committed to public services that improve the lives of Scotland's people. He has over 20 years' experience in audit, governance and financial management, and is a qualified accountant and a fellow of the Chartered Institute of Public Finance and Accountancy.

Antony Clark

Antony is Audit Scotland's Executive Director of Performance Audit and Best Value. He is responsible for Audit Scotland's programme of performance audits and its cross-sectoral leadership on public service reform. Prior to joining Audit Scotland in 2003 Antony worked for the Audit Commission and held a number of senior leadership roles in local government in the North of England and worked for the Nursing Board in London.

Sarah Davidson CBE

Sarah is Chief Executive, Carnegie UK. Prior to joining Carnegie UK in August 2019, Sarah had a 25-year career in civil service, latterly as Director General in the Scottish Government. She is a Trustee of the Scottish Chamber Orchestra and of St Mary's Music School in Edinburgh, a Fellow of the RSA, and was appointed a CB in the 2019 New Year's Honours List.

Sarah is also an Honorary Professor at the Centre for Public Policy, Glasgow University.

Professor Jim Gallagher FRSE

Jim is a visiting Professor in Glasgow University School of Law, and honorary professor at the Institute of Legal and Constitutional Research at the University of St Andrews.

Professor Ima Jackson FRSE

Ima is a Professor of Community Engagement in Research, Social Policy and Infrastructure Development at Glasgow Caledonian University. She is currently design leading the development of a new community led accountability organisation- The Anti Racism Observatory for Scotland. Ima was Co-chair of the First Minister's National Advisory Council on Women and Girls and Chair of the Centre for Contemporary Art (CCA) Glasgow

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Professor Michael Keating FRSE

Michael is Emeritus Professor of Politics at the University of Aberdeen and Honorary Professor at the University of Edinburgh. Michael has taught in universities in Scotland, England and Canada and at the European University Institute in Florence. A graduate of the University of Oxford, he was also the first PhD to graduate from what is now Glasgow Caledonian University (1975).

He is a fellow of the British Academy, Academy of Social Sciences and European Academy. His research has covered comparative European politics, public policy and territorial politics and from 2013 to 2020 he was founding Director of the Centre on Constitutional Change in Edinburgh.

Karyn McCluskey FRSE

Karyn is Chief Executive, Community Justice Scotland who prior to taking up her current role spent 21 years with the police and helped establish the Violence Reduction Unit in 2003 with a Public Health approach to preventing violence, which is replicated in the UK and internationally. Karyn is a Non-Executive Director at Scottish Professional Football League and a Fellow of the Faculty of Public Health.

Peter Reekie FRSE

Peter is Chief Executive, Scottish Futures Trust. Peter has worked across the private and public sectors as a civil engineer and programme manager, an infrastructure financier and consultant in the big-4 and a public sector leader. He has been at the Scottish Futures Trust, a public sector centre of infrastructure expertise since its inception in 2008 becoming CEO in 2018.

Lorraine Sanda MBE

Lorraine is Strategic Director of People, Clackmannanshire Council and has previously held a number of senior civil service roles in the UK and abroad, including the Foreign Office, Scottish Government (Learning Directorate), and Diplomatic Service (FCO).

Professor Nick Watson FRSE

Nick is Chair of Disability Research and Director of Centre for Disability Research at the University of Glasgow. He was a co-Director of What Works Scotland and has written on co-production in the delivery of public services, child poverty, evaluation and integration of services.

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