

Finance and Public Administration Committee

Framework for the Resource Spending Review

Submission from the Public Audit Committee

Dear Kenneth,

Scottish Resource Spending Review

Thank you for the opportunity to submit the views of the Public Audit Committee to help inform the Finance and Public Administration Committee's response to the Scottish Government's consultative framework for its Resource Spending Review. As you will be aware, the Public Audit Committee does not undertake budget scrutiny, nor is it responsible for examining the merits of any particular policy area. Instead, the Committee considers how policies have been implemented, the governance structures put in place to support policy decisions and how public funds in the area have been spent. We therefore believe that it may be useful to share with you our views on what some of the overarching priorities of the Resource Spending Review should be, based on our scrutiny of reports by the Auditor General for Scotland (AGS) and Audit Scotland, as well as work undertaken by our predecessor Committee.

Robust data

It is vital that the Scottish Government ensures it has robust data in place to support the decisions it makes in respect of the use of public funds and to enable the outcomes of its policy decisions to be planned for and evaluated.

The Session 5 Committee's [Key Audit Themes report](#) stated that a number of audit reports it had scrutinised had revealed that key policy developments, for example Early Learning and Child Care and Self-directed Support, had not been underpinned by basic data. We have also noted issues around incomplete or inadequate data arising during our scrutiny of the following publications by the AGS—

- [Improving outcomes for young people through school education](#)
- [Community justice: Sustainable alternatives to custody](#)
- [Child and Adolescent Mental Health Services](#)

In its framework document, the Scottish Government states that its work will be focused around three principles, one of which is that it will be outcomes focused.

Therefore, we consider it essential to ensure that robust data is in place in order to measure the progress that is being made to meet these outcomes.

Governance and leadership

The framework document states the need to provide a stable foundation to rebuild Scotland's public services and to make informed and evidenced decisions about how we best use the funding available to us to meet the needs of communities through effective and sustainable public services. We believe that effective leadership and governance are essential to the successful delivery of high-quality public services which meet the needs of users and provide good value for money.

Our predecessor Committee highlighted issues of poor governance in audit reports on NHS Boards, colleges and other public sector bodies such as the Scottish Police Authority and the Scottish Social Services Council. In this session we have already scrutinised section 22 reports on the [Crofting Commission](#) and the [Commissioner for Ethical Standards in Public Life in Scotland](#) in which the AGS identified substantial weakness in governance and leadership. We believe that ensuring strong governance and leadership is in place across the public sector should be a priority for the Scottish Government.

Workforce challenges

We note that the framework document states that the public sector workforce is one of the primary drivers of public spending over the period of the Resource Spending Review. The Session 5 Committee highlighted in its Key Audit Themes report that workforce challenges were being experienced at all levels across the public sector, including leadership positions, finance and IT roles and a variety of posts at all levels within the NHS. Our recent roundtable evidence session on the AGS's blog on [Scotland's colleges 2020](#), highlighted concerns over the speed at which colleges were adapting to meet skills shortages and whether or not the skills being taught are the ones best placed to meet the needs of employers and support Scotland's economic recovery.

We welcome the Scottish Government's recognition that a continued investment in the public sector workforce will be essential as it works to rebuild and refocus its long-term priorities.

Yours sincerely,

Richard Leonard MSP
Convener