

Finance and Public Administration Committee

10th Meeting 2021 (Session 6), Tuesday 9
November 2021

Public service reform and the Christie Commission

Purpose

1. The purpose of this evidence session is to explore with witnesses the progress made with public service reform and the priorities of the Christie Commission.
2. This paper sets out background briefing to inform the Committee evidence session with the following witnesses:
 - James Mitchell, Professor of Public Policy at the University of Edinburgh and a former member of the Christie Commission,
 - Graeme Roy, Dean of External Engagement and Professor of Economics, College of Social Sciences at the University of Glasgow,
 - Stephen Boyle, Auditor General for Scotland.
3. Written submissions from Professor Roy and the Auditor General for Scotland are attached in Annexe A.

Background

4. Public service reform relates to how government and public bodies are arranged or rearranged to deliver the policy priorities of the government of the day. There have been a number of developments in the area of public service reform over the last decade or so, including, in 2010, the Public Services Reform Act (the Act) which:
 - provided for the dissolution of certain public bodies,
 - gave Scottish Ministers the ability to make changes by order to certain bodies (including the Scottish Ministers) which they consider would improve the exercise of public functions having regard to efficiency, effectiveness and economy,
 - established new national bodies for healthcare and social work and social care scrutiny, and for a new body for arts and culture.
5. The explanatory notes to the Act explain that its “overarching purpose is to simplify and streamline the public bodies landscape in Scotland to deliver improved public services and better outcomes for the people of Scotland”.

6. The [Christie Commission](#) followed a year later. Its report explained that the need for public service reform had arisen as a result of a range of factors, including that the demand for public services was set to increase dramatically over the medium term “partly because of demographic changes, but also because of our failure up to now to tackle the causes of disadvantage and vulnerability, with the result that huge sums have to be expended dealing with their consequences”. Other factors included an environment of constrained public spending and improving the quality of public services to better meet the needs of the people and the communities they seek to support.
7. The Commission’s report identified a number of priorities (outlined in Annexe B) and set out the following four key pillars or principles for improving the delivery of public services:
- **public services are built around people and communities**, their needs, aspirations, capacities and skills, and work to build up their autonomy and resilience;
 - public service organisations **work together effectively to achieve outcomes** - specifically, by delivering integrated services which help to secure improvements in the quality of life, and the social and economic wellbeing, of the people and communities of Scotland;
 - public service organisations **prioritise prevention, reduce inequalities and promote equality**; and
 - all public services constantly seek **to improve performance and reduce costs**, and are open, transparent and accountable.
8. The report included some recommendations for change but, [as this SPICe briefing noted](#),— “The Commission’s report does not, in the main, offer specific recommendations to the Government on how to progress the proposed programme of reform. Instead, the report concludes by calling on the Government to provide political leadership in taking its proposals forward.”
9. In September 2011, the [Scottish Government responded](#) to the Christie Commission report. It explained that it will “reform our public services through: a decisive shift towards prevention; greater integration at a local level driven by better partnership; workforce development and a sharper, more transparent focus on performance”. Since that time, there have been a number of significant changes in the public service landscape in Scotland, including for example:
- the creation of a single Scottish police force and single Scottish fire and rescue service, following enactment of the Police and Fire Reform (Scotland) Act 2012.
 - the Public Bodies (Joint Working) (Scotland) Act 2014, which sought to implement the Scottish Government’s commitment to achieve greater integration between health and social care services. Integration was seen as a way of improving both the quality and efficiency of services.
 - the Community Empowerment (Scotland) Act 2015, which made wide-ranging reforms, including in community planning partnerships, community right to buy, and community involvement in public service delivery and taking on public assets.

10. The Finance Committee, at the start of Session 4, agreed to monitor the progress being made in delivering the “decisive shift to prevention”. As part of this work, the Committee, in March 2016, [wrote to John Swinney MSP](#), Deputy First Minister following its evidence-taking identifying a number of barriers as well as opportunities to improving progress such as:

- a. The importance of culture change in delivering a shift towards prevention, supported with increased funding for preventative services (which requires either new money or shifting resources through disinvestment in other services)
- b. The Scottish Government providing a clear definition of preventative spending and what constitutes a decisive shift towards prevention;
- c. The role of monitoring in the short and medium term (through, for example, establishing interim targets and milestones and benchmarking) even though the impact of a preventative approach may be long-term;
- d. The value of strong leadership from both the Scottish Government and the Scottish Parliament in setting performance targets which are consistent with the emphasis on prevention;
- e. Whether approaches such as the use of the borrowing powers under the Fiscal Framework to fund preventative spend, creating a culture of innovation, and use of digital technology provide potential solutions to achieving a decisive shift towards prevention.

11. In May 2019, What works Scotland¹ published a report entitled “[Key Messages about public sector reform in Scotland](#)” which explored how public services could work towards the recommendations of the Christie Commission on the Future Delivery of Public Services (2011) and the Scottish Government’s priorities for reform.

12. More recently, there have been a number of articles reflecting on progress made since the Christie Commission published their report, including from those giving evidence at this Committee meeting:

- Professor James Mitchell and Caroline Gardner discussed the progress made since the Christie Commission in a [podcast](#) with Professor Graeme Roy and Kezia Dugdale. There was also summary published from a [roundtable discussion](#) organised by the University of Glasgow/ Policy Scotland and the University of Edinburgh;
- the Auditor General for Scotland highlighted in his [Blog: Christie 10-years on](#), the challenges that remain, and learning from the public sector response to Covid-19. The AGS expands on the findings in his Blog in his written submission at Annexe A.

13. On 7 September 2021 the [Scottish Government’s Programme for Government 2021-2022](#) announced that it “sets out plans to invest in and reform our public

¹Set up in June 2014, What works Scotland was a research collaboration between the Universities of Glasgow and Edinburgh, other academics and key non-academic partners, funded by the Economic and Social Research Council (ESRC) and the Scottish Government.

services” with legislation identified to give effect to this such as the creation of a National Care Service.

Next Steps

14. The Committee will take evidence at a future meeting from the Deputy First Minister.

Annexe A

Written submission from Professor Graeme Roy

Christie 10 years on

1. The Christie Commission report was remarkably successful in communicating a vision for public service reform. The fact that we are still talking about the Commission's report – ten years on from its publication – is testament to that and the work of the Commissioners.
2. But there was arguably not much in the Commission's final report that was 'new'. Instead, its success was its ability to pull together several important aspects of the debate over public service reform and, crucially, relate them to the policy and political context of the time. If you recall, publication came just a little over ten years after devolution and at the point where it was becoming increasingly obvious – as set out by the Scottish Government's Independent Advisory Review Panel (IABRP) in July 2010 – that the spending excesses of the first decade of devolution were at an end.
3. The Commission's four pillars remain as relevant today as they did in 2011:
 - Reforms must aim to **empower individuals and communities** receiving public services by involving them in the design and delivery of the services they use.
 - Public service providers must be required to work much more closely in **partnership**, to **integrate service provision** and thus improve the outcomes they achieve.
 - We must prioritise expenditure on public services which **prevent negative outcomes** from arising.
 - And our whole system of public services - public, third and private sectors - must become **more efficient** by reducing duplication and sharing services wherever possible.
4. But the Commission did not set out a clear plan for how this should be achieved or delivered. Nor did it offer guidance on which of these pillars should be prioritised, either in aggregate or in individual policy areas. Quite often, these pillars can come into conflict with each other, an issue the Commission did not address in detail. Instead, it was focussed upon principles. Reform of the scale envisaged by the Commission is difficult to do in normal times. Place these

reforms in the context of unprecedented (at least since devolution) pressure on budgets and the challenge is that much greater.

5. The lack of focus upon delivery was a failing, perhaps not of the Christie Commission itself, but of the process that then followed. The lack of attention to delivery means that the Christie Commission has become almost an idealist document in the eyes of some rather than a useable guide for delivering public service reform in practice.

What progress has been made with the implementing the Christie Commission principles and recommendations and public service reform?

6. Progress has been limited. In part, this should not come us a surprise. Public service reform of the scale that people talk about when citing the Christie Commission is not straightforward. There are huge institutional, practical, and political constraints in public service delivery. Part of the reason for inertia is a very understandable fear amongst practitioners that getting a decision wrong will have an impact – often a very severe negative impact – upon vulnerable people in society.
7. It is important to note too, that reform was taking place before Christie, and reform has taken place since. A challenge of course is how to ‘prove’ that a reform that has taken place was due (or not due) to one specific strategy report or recommendation.
8. That being said, it is possible to argue that, given the sheer influence that the Christie Commission’s findings have had on the narrative of public service reform in Scotland, changes over the last decade have been influenced, in part, by the Commission’s principles and recommendations.
9. However, on the broader question of outcomes, there has been little improvement. Inequalities remain high whether that be in income, education or economic opportunity. These challenges have become even more acute over the last 18 months.
10. Budgets have been squeezed across most parts of the public sector in Scotland (with the exception of health). At the same time, our population pressures have accelerated (and been compounded by Brexit) and demand for key public services have increased (particularly in the NHS).

11. A recent article by Scotland’s Auditor General provides an overview of progress over the last ten years. Without replaying that article in full here, it is hard to disagree with the conclusion that *“audit work consistently shows a major implementation gap between policy ambitions and delivery on the ground.”*

Where are the challenges to making more progress and what are the successes to date?

12. One of the challenges with public sector reform is that it is unlikely that there will ever be a ‘big-bang’ of change. Reform will be gradual and at the margins.
13. Over the last ten years there have been several major reforms to the way in which public services are delivered. The creation of Police Scotland and the Scottish Fire and Rescue Service are arguably the two most visible examples. But the decision to create one police service or one fire and rescue service was not the result of the Christie Commission. They likely would have taken place anyway.
14. In some areas however, particularly the expanding role of the police service in communities or fire & rescue on prevention of fire and accidents, the Christie agenda is clear. Again, whilst it is hard to say that this would have happened with or without the Christie Commission, the principles it set out have certainly been used to help frame debates and priorities.
15. Similarly, the creation of Social Security Scotland and its approach to partnership, integration of service provision, and empowering individuals has hallmarks of the Christie Commission approach. The case of Social Security is interesting, as it suggests that reform in ‘new’ areas of responsibility is perhaps easier than in existing areas.
16. Elsewhere, the Community Empowerment Act (Scotland) Act 2015 enshrined an outcomes approach in statute and opened new opportunities for communities to have more of a role in how the assets of their local areas are utilised. It also helped to facilitate conversations around participatory budgeting.
17. The fact that we are still talking about public service reform in this way is a success.
18. However, there are a number of challenges that has made progress difficult. First and foremost, there has been the pressure on budgets. We face a cycle of increased strain on budgets which demand reform; but the challenge of paying

for that reform is more difficult because of pressures on public service delivery in the hear-and-now; which delays reform; which in-turn only increases the pressure on budgets; and so on.

19. Second, and related to that, there is still a culture to focus upon inputs and individual budget lines (and whether they are going up or down). We continue to focus upon 1-year budgets. In [research](#), we looked at debates over budget scrutiny in Scotland. A key conclusion was that Scotland's Budget had become 'broader' in recent years this has been the expense of 'depth'. Questions on the prioritisation of public services and their long-term sustainability have – as one senior MSP told us – become more 'superficial'.
20. Third, we still have a culture of control. Whilst the Community Empowerment Act envisaged more community autonomy, only limited progress has been made. Central government influence for example over how local budgets are spent, or how much a council can raise in tax, has increased over the last ten years. This, combined with a risk averse culture and political environment that seeks to identify ever challenge/poor outcome as an opportunity to point-score, potentially acts to dampen ambitions to be bold.

What are the areas that need greater focus in future, by whom and how?

21. I would highlight three key areas – others will no doubt suggest alternatives.
22. First, there needs to be more of a focus upon empowerment, particularly at a local level. We must accept that doing so will mean that some policy choices and outcomes will vary from region to region.
23. Second, we need to invest more in evaluation and appraisal. What is genuinely working and what reforms are hindering progress?
24. Third, if we are committed to outcomes, we need to get better at measuring them and tracking how the decisions that we are taking over public services – or crucial are not taking – feed through to outcomes. Often, we discuss the objectives we are trying to achieve and a list of initiatives. But there is limited discussion of whether these initiatives are likely to have a small/medium/large effect upon outcomes and the timescales/risks/opportunities that they bring.

Are the ambitions and outcomes envisioned by the Christie Commission report and Public Service Reform still relevant and

if so how to do they relate to other key public sector outcomes such as the National Performance Framework.

25. As set out above, I would argue that the ambitions and outcomes envisioned by the Christie Commission are still relevant. Indeed, post pandemic they are likely to be even more important than in 2011.
26. The NPF should ultimately be the framework through which progress on public service reform can be captured. However, it is not set up to do that at a policy level.
27. If an outcome is seen to get worse, what evidence is collected/used to see if a policy decision has been behind this change? And if so, how big/small has the impact been? If Parliament wants to change the dial on one of the outcomes, how does it know how much to invest in particular public services, over what timescales and in what form?
28. In short, the NPF is a helpful dashboard for providing a macro picture of Scotland's economic, environmental and social prosperity. But we should be wary of stretching its usefulness too far, particularly in trying to evaluate changes in outcomes from individual public policy tools.

Professor Graeme Roy
November 2021

Written submission from the Auditor General for Scotland

Introduction

1. On 7 September 2021, I published a [blog](#) marking the tenth anniversary of the publication of the Christie report. This blog drew on evidence from a broad range of audit work that Audit Scotland has undertaken on behalf of my predecessor and I and the Accounts Commission. In this paper, I briefly outline some of the evidence that underpinned my conclusion in my blog that we have fallen short of the ambition and vision of the Christie report.
2. In addition, I noted in my blog that the culture of scrutiny and its impact on willingness to innovate and take risks and the way we collectively assess performance may not be contributing to the delivery of better long-term outcomes and reduction of inequalities.

Planning for long-term outcomes

3. In 2019, Audit Scotland published a [briefing paper](#) on planning for outcomes which reflected several aspects of the Christie report. It emphasised:
 - the complexity of getting individual public bodies to collaborate to deliver shared long-term outcomes
 - the extended time needed to realise the impact of long-term planning for outcomes
 - the need to get the right data to be able to assess and evaluate effectively the impact of public services over long time periods

Collaborative leadership

4. In our [report](#) on health and social care integration in 2018, we stressed that, at a national and local level, all partners had to be more honest and open about the changes needed to maintain health and care services and secure better long-term outcomes for people. We described the characteristics of effective collaborative leadership and recommended that there should be increased opportunities for joint leadership development across the health and care system to support and encourage leaders to work together more collaboratively.

Lack of data and lack of planning for long-term outcomes

5. In our recent (2021) [report](#) on improving outcomes for young people through school education, we noted that much better data on outcomes, such as young people's wellbeing and confidence, was needed.
6. Our [report](#) last year on affordable housing noted that the Scottish Government had not set out the outcomes it intended to achieve from its investment. The

[report](#) on City Deals, published in 2020, reported that while all individual city deals included output measures. The Scottish Government had not set out how it would measure their long-term success, their value for money, or how they would contribute to the outcomes in its National Performance Framework. In 2018, our [report](#) on early learning and childcare noted that the Scottish Government did not plan how to evaluate the impact of the expansion in funded early learning and childcare.

A gap in implementation

7. In a 2017 [report](#) on progress in improving self-directed support for social care, we reported while there were examples of people being supported in new and effective ways, the vision of choice and control envisaged in the self-directed support strategy had not been realised. There was no evidence of the transformation necessary to fully implement the strategy taking place. In our [report](#) on improving outcomes for young people through school education, we found that the poverty-related attainment gap remained wide and progress on closing the gap has been limited and falls short of the Scottish Government's aims. The effects of Covid-19 had exacerbated existing inequalities.

Long-term financial sustainability

8. The Christie report foresaw ongoing financial pressures on public services from increased demographic and social pressures. That picture has not changed as we stated in, for example, our annual [overview](#) of the NHS in 2019. The impact of the pandemic, exit from the European Union and the performance of the economy are all contributing to further financial pressures. Across all our audit work, in all public bodies, we have been encouraging and recommending that medium and long-term financial planning takes place. Progress is mixed. Some public bodies have embraced this approach. For example, our update [report](#) on the Scottish Fire Rescue Service in 2018 noted how its positive approach to long-term financial planning.

Participation

9. Participation was one of the four “P”s in the Christie report. In a 2017 [report](#) which outlined the principles for a digital future, we stressed the importance of putting users at the heart of all projects to deliver public services. We have seen good examples of this in places. For example, in our [report](#) on enabling digital government published in 2019, we highlighted the Scottish approach to service design which seeks to redesign the systems and processes around the needs of users of public services. In the same year, in a [report](#) on the implementation of new powers for social security, we reported on the use of “experience panels” made up people with existing experience of the social security system to advise on the design of new systems. We noted the clear focus on the principles of dignity, fairness and respect throughout communication and engagement activities.

FPA/S6/21/10/2

**Stephen Boyle
Auditor General for Scotland**

Annexe B

Christie Commission priorities

The priorities the Christie Commission identified include:

- Recognising that effective services must be designed with and for people and communities – not delivered ‘top down’ for administrative convenience
- Maximising scarce resources by utilising all available resources from the public, private and third sectors, individuals, groups and communities
- Working closely with individuals and communities to understand their needs, maximise talents and resources, support self reliance, and build resilience
- Concentrating the efforts of all services on delivering integrated services that deliver results
- Prioritising preventative measures to reduce demand and lessen inequalities
- Identifying and targeting the underlying causes of inter-generational deprivation and low aspiration
- Tightening oversight and accountability of public services, introducing consistent data-gathering and performance comparators, to improve services
- Driving continuing reform across all public services based on outcomes, improved performance and cost reduction
- Implementing better long-term strategic planning, including greater transparency around major budget decisions like universal entitlements

Its specific recommendations include:

- Introducing a new set of statutory powers and duties, common to all public service bodies, focussed on improving outcomes. These new duties should include a presumption in favour of preventative action and tackling inequalities
- Making provision in the proposed Community Empowerment and Renewal Bill to embed community participation in the design and delivery of services
- Forging a new concordat between the Scottish Government and local government to develop joined-up services, backed by funding arrangements requiring integrated provision
- Implementing new inter-agency training to reduce silo mentalities, drive forward service integration and build a common public service ethos
- Devolving competence for job search and support to the Scottish Parliament to achieve the integration of service provision in the area of employability
- Giving Audit Scotland a stronger remit to improve performance and save money across all public service organisations and merging the functions of the Auditor General and the Accounts Commission
- Applying commissioning and procurement standards consistently and transparently to achieve competitive neutrality between suppliers of public services
- Reviewing specific public services in terms of the difference they make to people’s lives, in line with the reform criteria we set out.