

Response to the Finance and Public Administration Committee: Inquiry into Public Administration - Effective Scottish Government decision-making

February 2023

7. Information about your organisation

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

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

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

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

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

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

A further point that we would like to make is about the use of evidence and data to inform decision making. The national indicators provide Government with a wealth of data through which to understand wellbeing and identify emerging threats and opportunities.

In order to realise the potential of Scotland's wellbeing framework, Government officials should use this data more explicitly to shape policy, to guide policy appraisal and funding decisions, and to communicate these to the public.

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

One of our [wellbeing tests](#) is long-termism. We recognise, along with many others, that short-termism in policy making is symptomatic of current political structures. Outcomes that take years and perhaps decades to materialise are no help to a politician who campaigns every 4-5 years.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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