

Ministers Reflect

Alex Neil



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Biographical details

Scottish parliamentary history

2011–present: Scottish National Party Member of the Scottish Parliament for Airdrie and Shotts

1999–2011: Scottish National Party Member of the Scottish Parliament for Central Scotland

Scottish government career

2014–16: Cabinet Secretary for Social Justice, Communities and Pensioners' Rights

2012–14: Cabinet Secretary for Health and Wellbeing

2011–12: Cabinet Secretary for Infrastructure and Capital Investment

2009–11: Minister for Housing and Communities

Alex Neil was interviewed by Akash Paun and Tess Kidney Bishop on 26 September 2018 for the Institute for Government's Ministers Reflect project.

Alex Neil reflects on civil service advice, preparing to take on social security powers and attempts to modernise the health system.

Tess Kidney Bishop (TKB): You first became a minister in 2009, as Minister for Housing and Communities. What were your main responsibilities in that role?

Alex Neil (AN): Well, obviously housing and the construction industry. The community element included responsibility for equalities, the voluntary sector, the third sector and a range of other various responsibilities, but the main thrust of it, and my main concern, was housing policy.

TKB: How did you work with the senior minister, the Cabinet Secretary, in that job?

AN: That was Nicola Sturgeon, who was the Cabinet Secretary for Health and Wellbeing, which included housing and the general portfolio. She was very busy with the health service and various other things, so I got on with the job of housing. I consulted her, met with her regularly, and once a month we'd have a catch up with senior officials in housing, so that she was aware of what was going on. If there was anything that cropped up that she should know in between our catch-up meetings, then I told her. But I was basically left to get on with the job.

I think the truth is that we didn't have much of a housing policy at the time. The only thing I can remember from the original manifesto in 2007 was our pledge to abolish the Scottish housing agency, Scottish Homes. To be fair, we had also started preparing legislation on getting rid of council house sales. There was another bill going through which I inherited, which was a response to the financial crisis and dealt specifically with security and mortgages. All of that was buzzing at the same time.

Even though I was a junior minister, I attended the Cabinet meetings from day one. This was because the main item in every Cabinet meeting was the impact of the financial crisis and its consequences for Scotland. Being in charge of housing and construction, working out how we could respond to the financial crisis with devolved powers and a devolved budget was a major element of my work.

TKB: You were a minority government until 2011. How did that affect the way you were working?

AN: Well, I only reached Cabinet after we got the majority in 2011. But we always tried to work across parties as much as we could. The reason for that was twofold. Firstly, I think it's the right thing to do in principle, particularly in a small country where you want to minimise divisions in relation to policy. Secondly, in terms of running a minority

government, it was the pragmatic thing to do. You had to be sure that you would get the support of the chamber, particularly, though not exclusively, when it came to passing legislation. Even when we had an overall majority, my feeling was that given the proportional representation system we have in Scotland, the chances were that it might not last. I believed we should treat the other parties as if we were a minority government so that if we ever became a minority government again, which of course we did, then they would feel that we genuinely tried to work across parties. My view was always that in a small country with a small PR system, even if you have a temporary overall majority, it's far better to try to take people with you.

TKB: How were you doing that in practice?

AN: In various ways. Obviously the Tories were never going to come on board with the principle of scrapping council house sales, but nevertheless I communicated with them and held meetings with them about some of the practical details as we developed the legislation. We also worked closely with the other parties, all of whom were in favour of the reforms that we were making. I think the Labour Party really regretted that they hadn't done it when Jack McConnell was First Minister. I think they felt they'd missed a trick there. We would talk about the amendments – their amendments, our amendments – in committee, because obviously we have a different legislative process here. But all while trying to maximise the consensus and minimise the divisions within Parliament.

Akash Paun (AP): Given the context of not having a majority in the Chamber, was there also a conscious effort to, where possible, find non-legislative ways to achieve your objectives?

AN: I think that's important. If you're a minority government, then there's a lot of things you would like to do but you know you will never be able to get through Parliament. There was no point in trying, because that would just burn up your political capital, both inside and outside of Parliament. We had to therefore carefully select which legislation we were going to prioritise during that four-year period. You're literally learning from day to day, because you don't know when you're going to get ambushed by the other parties joining together against you. So it's important to communicate with them and try and take them with you.

Secondly, where the Government was possibly out on a limb, you had to try to make sure that you recruited at least one of the other parties to support you. That happened in budget discussions, for example, where the Tories might support the budget proposal, but the Greens and the Labour Party would oppose it, depending on the issue. It was effectively a moving coalition. Parties like the Greens, who were much smaller in number, were generally supportive, because obviously they wanted the SNP [Scottish National Party] to succeed. They didn't perhaps say that publicly, but it was clear they did. The Tories under Annabel Goldie [former Leader of the Scottish Conservative Party]

saw this as an opportunity for the Tories to present themselves as a party that could actually influence events in Scotland. The numbers hadn't changed that radically since 1999, they were still only around the 15–16 mark in terms of how many MSPs [Members of the Scottish Parliament] they had. But it was the first time they felt as though they could get an 'in' into influencing policy, and they maximised that opportunity. For example, one of the things I did was set up a town centre regeneration fund, and I consulted all the parties – particularly the Tories – about where to allocate an initial £60 million of capital spend. We agreed to set up an independent process to come up with the lists of projects that would get some of that funding. That paid off, and we jointly launched the project with Annabel Goldie, and we did a joint venture in Paisley to launch the fund too. That was how closely we worked on that.

In terms of British politics, working with the Tories is not the most feasible thing you could do because they are much more right-wing. The Tories in the context of the Scottish Parliament, a PR [proportional representation] Parliament and a small nation, are much more to the left of centre right than the Tory Party down south. It's easier to work with the Tories up here, because in some areas they are quite progressive. Other areas they're not, but some areas they are. On housing, outside of the issues of council house sales and Right to Buy, they were largely very supportive of our policies.

TKB: In 2011, when you moved to infrastructure and capital investment, what was the step up like to being a Cabinet Secretary?

AN: Apart from the additional pay and attending Cabinet as a full voting member, it wasn't really all that different for me. I'd effectively been a member of the Cabinet from day one and had not missed a Cabinet meeting since I'd become a minister. The good thing is that I was really in charge, I wasn't reporting to anybody other than the First Minister, and he was generally very good at letting me get on with the job. He gave me a very clear remit as to what he wanted, but he didn't interfere. I mean, if I thought things were going wrong or something wasn't quite right, I would lift the phone and say: "Can you do this, will you do that?" And, occasionally, his office would get in touch and say: "That big infrastructure announcement you're making, do you mind if the First Minister makes it because he's going there anyway?" But, on the whole, he let me get on with the job and was very supportive, and that was extremely important. I tried to reciprocate.

I also felt there were a lot of new ideas, a lot of things for example in the national infrastructure plan. We had manifesto commitments from 2007 that we hadn't really managed to advance in the minority period of the first four years. But, again with the support of all the parties except possibly the Greens, I was able to, for example, put as part of the national infrastructure plan a commitment to deliver the dualling of the A9 between Perth and Inverness and the A96 between Aberdeen and Inverness by 2025 and 2030 respectively. That was a big decision to me, that's £6 billion of investment, and it meant that by 2030 all cities in Scotland will be connected either by motorway or

dual carriageway for the first time. Things like that were big, big decisions, and I felt as though I was able to drive them through very much with the support of the First Minister.

TKB: You were in charge of European Structural Funds in that role. How much were you working directly with the EU?

AN: To be honest, I was only over in Brussels two or three times. The role of the Cabinet Minister was to approve, in conjunction with Europe, the structure for the disbursement of the funds, how much the Scottish Government had to spend and all of that sort of stuff. Because I came in in the middle of a five- or seven-year tranche, all of that had been pretty much decided and they hadn't started the detailed negotiations over the next tranche. The main issues were operational. There was a problem around the timing of funding, I think because there was one local authority which hadn't fulfilled their commitments, that kind of thing. So my involvement amounted to essentially taking decisions that required my approval or responding to operational matters that had arisen. But I didn't need to be heavily involved with the EU, because the policy decisions had already been taken and I left it to the officials to get on with the detail.

AP: Was this entirely within the control of the devolved institutions? If there was a UK dimension, how did that relationship work?

AN: There was a UK dimension too, and the relationship was fine. I only had one difficulty of any significance in my time as Infrastructure Secretary, namely that we had a very good relationship with nearly every UK minister except Jeremy Hunt. He was the Secretary of State for Culture, Media and Sport at the time, and we were trying to get commitment on broadband money for Scotland so that we could get things moving and issue a contract for rolling out broadband. In order to do that, we needed information from BT [British Telecom] which was held by Jeremy Hunt and his department. BT had no objections, but they [the UK Government] wouldn't release that information to us, even though we made it clear we were perfectly happy to sign a confidentiality agreement. Clearly it wasn't in our interests to break the law by disclosing commercially confidential information. For some as yet unexplained reason, they refused until we got the First Minister to ask the Prime Minister to get the thing resolved.

I found Jeremy Hunt distinctly unhelpful. Once he was talking to me from his phone in his car, going to the House of Commons, and I said: "You're taking a very imperialist approach to this, Jeremy." He didn't like that at all [laughter]. It was a real up and downer on that. But, every other UK minister... We had dealings with Chris Grayling. We had dealings with Philip Hammond when he was Transport Secretary. He was an arrogant sod, quite frankly, an able one but arrogant, and I don't think he had any interest in anything north of Watford! He was pleasant enough, but we only had one-off

meetings then because I realised there was no coming and going, he simply wasn't interested in Scotland.

TKB: Did that end up meaning he was happy to leave it to you, or he wanted to keep control?

AN: Transport is only partially devolved. Road building was devolved. At that time there wasn't so much devolution of rail as there is now, although it's still not very satisfactory. Airports were not devolved and air travel wasn't devolved. Ports were kind of a grey area because a lot of them are in private ownership anyway. So transport was one of those areas where it was a bit of a mixture. Network Rail was a disaster, they're not a good organisation to work with, and the fact that we didn't entirely control what they were doing in Scotland wasn't a good position to be in – we have a bit more control now, but it's still not satisfactory. Network Rail, in my view, played the UK Government off against the Scottish Government. I don't think it's a particularly efficient organisation, or a well-run organisation. I think their engineering is very good, their project management is good on the ground, but their senior management was appalling.

AP: What was your relationship like with the Treasury at that time?

AN: I wasn't at that stage heavily involved with the Treasury because John Swinney, as the Finance Secretary, really had all the discussions with them. And I think the Treasury being the Treasury, it was better to have one minister dealing with the Chancellor – it was mainly the Chief Secretary really but occasionally the Chancellor – but it was better to have the Finance Minister in that relationship. Later on, in my social justice job, I became more involved with the Treasury for obvious reasons around the transfer of social security responsibilities. We were devising a number of innovative funding mechanisms along with the Scottish Futures Trust and the like, but the financial aspect, dealing with the Treasury, was always John Swinney's remit not mine.

TKB: In 2012, when you moved to health and wellbeing, given you were already a year into a Parliament then, how much did you devise your own priorities? And how much were they given to you by the First Minister?

AN: He [Alex Salmond] asked me if I would swap with Nicola [Sturgeon] because he wanted Nicola to experience an economic department. She'd already been in health for five and a half years, and she felt that was bit too long for a Health Secretary, or anyone in one job. I remember her saying to me something that reminded me of what Harold Wilson said when he resigned as Prime Minister: "You get to the stage where you're going around the same lap so many times that you feel as though it's time to change laps." I think that's how she felt, and it was obvious that she was being lined up to succeed Alex. Nobody knew exactly when, but he clearly felt it was part of her career development, as it were, that she should have experience in an economic department.

He didn't want to move John Swinney and I don't think Nicola wanted that particular job. Infrastructure gave her exposure to an economic portfolio, and I took over health as well as responsibility for some other things, such as the Equal Marriage Act.

TKB: How far along was the legislation for the Equal Marriage Act when you came in?

AN: We'd agreed in principle, but it wasn't all that advanced. I ended up finalising the bill and taking the bill through Parliament and so on. That in itself was quite a tricky job, because obviously the churches were very much against it with one or two exceptions, like the Quakers, who were in favour of it, but there aren't a lot of Quakers [laughter]. It was quite a task. Taking the bill through Parliament was quite time-consuming given I was also running the health service at the same time and driving forward the integration of health and social care along with the legislation to make that happen. All of these were big tasks, and I had one junior minister – not two or three, one junior minister – Michael Matheson, who was very good. I felt as though I had to personally drive through the integration process, and the First Minister had specifically asked me to handle the equal marriage legislation, which I did. I think we produced a good piece of legislation whilst dealing with all the challenges of running the health service in the meantime.

I loved the health job. It was 24/7 and I just wish I had longer. I wanted to make some big changes, but unfortunately those changes haven't been made, and that's one of the reasons why I think the new Health Secretary [Jeane Freeman] is facing some of the challenges that she is.

TKB: What changes did you want to make?

AN: To give you an example, within a week or two of taking over, the College of Emergency Medicine asked to see me along with Gerry Marr, who at that time was the Chief Executive of the Tayside Health Board and was chairing a taskforce on A&E waiting times and targets. They told us that of the 24 A&E departments in Scotland, only two were operating safely all the time. Now, that was just one of the challenges, there was a whole list of things. So we had to move very quickly on that because if word got out that 22 A&E departments were operating unsafely at some time, then clearly that would have created panic. And I said to the First Minister: "I need to take some urgent steps." We had loads of other issues. There was a big controversy that I inherited with regards to waiting times and how they were compiled and reported and so on. There was a big controversy about access to new cancer drugs in particular, but also an issue with a cystic fibrosis drug, so I was never short of things to do. But I felt that the health service needed long-term reform, radical reform, and although we were on top of integration with social care, and although we'd made some changes, my own view is it needed a much more radical approach than what was taken. And I think Jeane Freeman will now address these issues.

TKB: Health ministers often mention firefighting and responding to crises as a big part of the job, as you've described. Could you talk us through one of those crises and how you dealt with it?

AN: Let me give you three examples. One is a new drug that came out to deal with cystic fibrosis in children with a particular Celtic gene called Orkambi. The Scottish Medicines Consortium [SMC] said it was too expensive and wouldn't approve it. In the meantime, there were children dying of cystic fibrosis. There were only 51 children in Scotland who would benefit from this drug, because as I say it was for children with a particular Celtic gene, and it was expensive. I got two weeks' notice of what the SMC decisions were, and when I heard about this, I raised it at Cabinet and told the First Minister: "I do not believe that we can allow children to go on dying while we're trying to get a better deal on the price of this drug." I had parents coming in to see me crying their eyes out, saying: "Please, please, my daughter will live for a month if she doesn't get this drug." It was that bad. So the First Minister and I devised a plan. We identified £20 million and decided to put that into a special fund for this kind of situation, £12 million of which was earmarked for Orkambi over a period of years, much to the chagrin of the officials.

You have to be powerful and strong enough to overrule the civil service, because whilst they do a lot of good, sometimes their advice is just daft, and this was an example of where their advice was completely out of kilter with what we needed to do. We just decided we were going to overrule the officials and said they could like it or lump it. I still get letters from parents telling me how well their children are doing, and that they're living and having a good life as a result of that decision. But that was a bit of a crisis, and had we not taken that decision, the Government would have been in severe difficulty politically, and morally in my view.

Another one, which didn't develop into a big crisis, but again a very good example of how you have to be very determined with officials and be prepared to overrule them. I got word, through various sources, that there was a problem with deaf children getting regular enough cochlear implants. When I looked into it, they were getting them every seven or eight years. The lady who ran the service was frightened of contacting me because she thought senior managers would take exception and that she would lose her job. I managed to speak to this lady by a backdoor route, and she confirmed what I had been told by an MSP, who had been an expert in medicines himself before coming in, that this was a real problem. And, of course, I asked officials. "Oh no, minister, we can't change the policy, it'll cost too much." Now, at that time, I had a budget approaching £12 billion a year, so I asked them how much it would cost to meet the requirement which this lady had recommended, that every child should get access to a new implant every two years: £8 million a year. So I just said: "In that case, bring in the parents to represent the group, we're going to tell them we're doing it and the policy will change as of tonight." And I gave a lecture to the officials in front of the parents and announced the policy. The officials were raging, but I couldn't give two hoots whether

they were raging or not. I knew I had done the right thing. And a few months ago, I was sitting having lunch in a restaurant with a friend of mine in Glasgow and this guy came up and tapped me on the shoulder and he said: "My child is deaf, and you have no idea the transformation in his life and in our lives since you took that decision. Thank you." That made it all worthwhile.

The final and most public of the crises was the A&E crisis. We immediately put £50 million in. It became very clear to me that despite all the expertise and people with film star salaries in the management of the health service, nobody had any real understanding of or had done any research into the implications for our A&E target. And, of course, what became obvious, which Labour should have known when they set the targets in 2004, is that it's the flow through the hospital that matters. Of course, when we started to analyse it, the main reason people were held up getting treated or discharged within the four hours actually had nothing to do with the A&E department. It was because the people they were discharging for admission couldn't get beds, and therefore they couldn't be discharged from A&E until a bed had been identified for them. It's the same in England. I mean, it's reckoned a third of people in hospital these days don't need to be there, and they're only there because of delayed discharge, because they can't get into a facility. They're medically discharged, but not discharged from the hospital because they can't go home where there aren't the facilities. That was a very interesting experience because I realised how poor the management of the health service is, at every level. I wanted to change that, but there was a reshuffle when Nicola became First Minister and she wanted her friend Shona Robison in, and I became the Social Justice Secretary. But I would have loved four or five years in health, because I wanted to make big, big changes at every level.

TKB: Could we talk a bit more about what you felt the advice from civil servants was lacking?

AN: I don't want to say this is all civil service advice, I'm talking about particular instances where I think they got it badly wrong in terms of their advice. I mean, mesh implants was another. The information I was getting was just rotten, crap. Eighty per cent of the time, the advice was fine, but 20% of the time it wasn't. Because you can't know which bits of advice are within that 20%, that's where you have to be a strong minister and be prepared to overrule and question officials.

Most of the people who are in the health department or the health service have been there since they left school or university, and they become part of a culture. It's a culture which is not always open and transparent. In parts of the health service, it's "How do we cover our arses?" rather than "How do we help the patients?" They say it's patient-centred, and it is to an extent, but not to the extent it should be and could be. It's very variable and you have to be alert to that at least 20% of the time where they are recommending something which is completely not the right way to go in a political,

economic, financial or even moral sense. Sometimes they resent it when you overrule them, but my view was I was there to be the minister to take the decisions.

The other thing is that a lot of stuff we did to make improvements, they didn't actually fully implement, and you only found that out later. I think a number of the things I wanted done were deliberately held back without my knowledge, because they knew a reshuffle was coming due to the change in First Minister. They probably reckoned that Nicola would want her friend, Shona Robison, in health rather than me, so thought if they held back enough... I think a lot of these things were deliberately dropped, and I don't think they told Shona about these things. I tried to bring some business people in, for example. I reckon there are a lot of big savings to be made in the drugs bill, for example, which I think is very badly managed. And they didn't like that at all, so they just used the pending reshuffle to play for time.

TKB: Did you have any systems in place to monitor implementation?

AN: No. If I was doing the job again, the first thing I would do is set up a delivery unit. Not to deliver anything in particular, but to ensure policy is being delivered. I now sit on the Public Audit Committee and, as far as health is concerned, it's very obvious to me a lot of the things that I asked to happen didn't happen at the time or on the scale that I had wanted them to. For something as big as health, you don't have time to check it yourself, your junior minister doesn't have time, your private office doesn't have time. You need to bring in somebody who is a hard nut, who will make sure it gets delivered. You only have to have four or five folks in that unit, but they need to be people who can get things done.

AP: Insofar as your ministerial role was concerned, how much was that affected by the upcoming independence referendum?

AN: In two ways. Just from a practical point of view, obviously you need to set time aside for campaigning. You're a senior member of the party and the team, so you're expected to do your fair share of public meetings. We were all allocated public meetings and travelling and all this, both as a minister representing government policy and as a senior figure in the party. Particularly in the run-up, it took a fair amount of time. You also had to be au fait not just with health, in my case, but with all the other issues. We'd published a massive white paper and we had to not only read it and understand it but be able to ask questions about it. Clearly the No campaign would have loved to catch out any minister in any of it, to embarrass the Yes campaign, and the press were pretty hostile too. That was the first thing.

The more important thing was the stuff you quite frankly could not do before the referendum and had there not been a referendum you probably would have done. Nothing that would in any way cause people to wait longer or do damage to health or anything like that, but maybe some of the managerial reforms. I held back because

there was no point in setting fires alight that were going to be controversial when we wanted to concentrate our energy on winning the referendum. So, undoubtedly, I think every minister would have had issues that they deliberately delayed or put into the long grass until after the referendum on the grounds that you don't want a lot of home fires burning when you're trying to fight a referendum campaign on independence.

AP: So it did slow things down?

AN: Well, some things sped up as well, because the stuff that was popular and uncontroversial was fast-tracked. That was all about gaining credibility. Part of the strategy was to prove how competent the Scottish Government was, which compared to Westminster wasn't difficult to do. Not just how competent, but how big a difference you could make, even with the limited powers that we had under devolution. Part of the argument was: "Look at the difference we can make with these limited powers. What could we do if we had the full powers that came with independence?" So, some things were accelerated, some things were slowed down, but every government does that. We've got a party conference coming up, and I am sure Theresa has some bad news for the week after party conference, but she's not going to announce that the week before, is she? Every government times things. It wouldn't look very competent if we created a lot of unnecessary controversies on unrelated issues in the run-up to the referendum.

AP: Within your part of the civil service, were you conducting a lot of preparatory work for if the result had been a yes?

AN: Well, we all had to feed into the white paper. Now, it so happens that, because health was heavily devolved, that bit of it wasn't as onerous on us. Education, health, housing – those things were largely devolved. The things that more work had to be done on were the things that weren't devolved.

AP: So within your portfolio it was not a particularly big challenge?

AN: No. Bits of it, like the regulation of medicines and medical devices, for example, were not devolved issues. There were things that we had to cover, but they weren't exactly onerous, and most of them weren't really central to the debate. They did have to have an answer, because some smart interviewer might ask you what you were going to do with medical devices. But compared to other portfolios, that aspect of it wasn't so heavy for us because the stuff that I was dealing with was largely devolved.

AP: After the referendum, you were, as you mentioned before, moved into this new post of Cabinet Secretary for Social Justice, Communities and Pensioners' Rights under Nicola Sturgeon as First Minister. That's quite the job title.

AN: It had a wide responsibility, yes.

AP: So what was the logic behind that particular portfolio?

AN: As the title suggests, the main issues tended to be housing, equalities and the new social security powers which were pending transfer. I chaired the [Joint Welfare Ministerial] Committee with the Secretary of State [for Scotland], David Mundell, obviously with the involvement of the Department of Work and Pensions and the Treasury, represented by Priti Patel [then Exchequer Secretary to the Treasury] and then David Gauke [then Financial Secretary to the Treasury]. The whole point was to try and bring a lot of the social justice stuff together into a department that looked at the total picture. I think that was the logic.

AP: What was your main focus in that role?

AN: There was a fair amount of work in dealing with David Mundell and people like that, but we started to sound out people about what changes we could make [when powers for social security were transferred]. For example, we gave an early commitment to improve the carer's allowance and bring it up to the same level as Job Seeker's Allowance. We gave commitment that when we took responsibility for aspects – and it was only one or two aspects – of Universal Credit that we would offer people the opportunity to get paid fortnightly instead of just weekly. We also encouraged them to have the rent element of their housing benefit paid directly to their landlord. Because, at that time, 96% of people had rents paid directly to the landlord, something which was beginning to change when Universal Credit came in. It was very clear in the early evidence from all around the country that the change was leading to bad debt situations because the rent wasn't always a top priority if the kids needed shoes or whatever, and it was leading to all sorts of problems such as some private providers pulling out of the private-rented market in the bad debt regions. In response, we started to announce solutions and consult people, and that was later carried forward after the 2016 election by Jeane Freeman, who was a full-time Social Security Minister and did a very good job of bringing it through to fruition. We took the decision that I had to set up a Social Security Agency, so we started planning for that. All of that was about moving forward the social security responsibilities, on the policy front as well as the organisational front. We put a major paper on housing policy to the Cabinet early on and argued very strongly that we weren't building enough houses, particularly social houses. Out of that came a Cabinet commitment to spend £3 billion over the period of this Parliament to fund 50,000 new houses. That was a major achievement and a major commitment of resources.

AP: When the SNP first came in, in 2007, they created a single performance management framework to try and unite the workings of all of government and link them with local government as well. From your perspective, how well did that work, and how central was that to the operation of the Government?

AN: I don't think it ever became the central tool that it was intended to be. It was there, we were very conscious of it, and were very conscious of our own specific targets, particularly in health. The big difference between health and the other portfolios is this: if you are the Cabinet Secretary for Health, you're actually in charge of the day-to-day running of the service. If you're the Cabinet Secretary for Education, you are not in charge of the day-to-day running, because local authorities run the schools and nursery care, colleges run the colleges and are funded by funding councils, and universities are independent institutions. If you're Education Secretary, you're not actually running education. If you're the Transport Secretary, you don't run transport – Transport Scotland does that or one of the other multitude of organisations. Whereas with health, you're effectively chairman of the board, sometimes acting almost like a chief executive as well. You're therefore very target driven. There's a thing called 'Stats Tuesday' once a month, when most of the main stats come out and everyone panics, as you can imagine. Quite frankly, I didn't have time to worry about what the rest of the Government was doing, I was too focused on what the health targets were.

In any other jobs I had, I knew the performance framework was there and was a useful tool, but it didn't drive policy. Certainly not in the way that perhaps some people had intended it would do.

AP: At the time it was presented as quite a revolutionary change, particularly the idea of moving away from separate departments to a single, collective leadership model.

AN: That was the key, although I think there were some weaknesses in how the Scottish Government was structured. For example, at the moment you've a Director General who covers, amongst other things, education, justice and communities. And it's quite clear that is not working. These are three portfolios that should have their own director general, in my view. There should be a director general who only does justice, there should be a director general who only does education, and a director general that only does communities.

AP: Is the problem in this case about overloading one person, or is it about blurring accountability?

AN: It's a mixture. Not only overloading one person, but what sort of relationship is there between justice and education? I mean, if there was a director general for education and employment, you could see how you would use that to bring things together, but justice and education don't sit together. Then you've got communities. Now, aspects of communities could sit with justice, some qualities, but I think some of

the director general's scope is far too wide and it means the attention isn't being spent as it should be on, for example, education. I'm now on the Public Audit Committee, and when the director general appears in front of it, you don't always get the feeling that they're totally in charge of the brief, because the brief is too wide.

AP: So do you think potentially the Government should move towards a more traditional departmental model?

AN: No, whilst I think you could be more collegiate, I don't think you need to be eight or nine separate ministries. Having said that, I think if you [are] under-resourced at the very top management level, then you won't get the best results. The job of a Permanent Secretary is to bring the directors general together and get them to work as a team, and I think you can do that, and there are things you can do to ensure better co-ordination and integration of policy. But I think we've gone from one extreme to the other, where we've got director generals responsible for too much and for functions that are unrelated to each other.

AP: How well do you think that the process of taking on new devolved powers was managed by the Government and by the civil service during your time in office? Were there challenges in ensuring you had the right capacity to take on new functions?

AN: I think it's been variable. If you take social security, one of the big problems is that the computer systems used by the DWP [Department for Work and Pensions] are antiquated, not particularly well integrated, and not particularly well designed to take a chunk of capacity – i.e. the 10% that represents Scotland – and give it to us. I think the IT constraints are much greater than people perhaps realise. In my view, we had to separate out the physical constraints around care in particular from how quickly you could change the policy. So, take Carer's Allowance, for example, or the new rules on parts of Universal Credit, the sensible thing, looking at it purely from an IT point of view, was to not try and rush the IT and set up a separate system until we fully understand what the requirement is and get the spec right. So many IT systems go awry and cost a fortune and end up as a dog's breakfast. Eventually we will need our own IT system, and we could do a lot better than what the DWP was using, though, to be fair, they're replaced theirs now. My key question to the DWP was: "Even though we're having to use your IT system for a few years, or it would be sensible to do so, can we still implement changes to the policy and can your IT system cope with those changes to the policy?" For example, I asked if it could cope with paying Universal Credit weekly instead of monthly. And they said: "No, the most we can go down to is fortnightly." "So if we continue to use your IT system, we can still change the policy from monthly payments to fortnightly payments where people want that?" "Yes." I'm not sure where it is now, because it seems the policy is not being implemented very quickly, but I was led to believe that most of the policies could be changed, even though it would take much longer for the IT system to be repatriated, or a new IT system to be created.

But explaining that to the press externally is extremely difficult. And I think it looks like some of the whole thing had just been postponed. For example, the transfer of employment tribunals, I think is now about 2021 or 2022. I haven't dug into it and I'm not familiar with why that's taking so long, but I would have thought that would have been an easy thing to transfer quite quickly, because all the judges that sit on these things are up here anyway. I think there's a bit of work to be done looking into the actual timing.

AP: And there obviously have been some implementation hold ups in transferring social security.

AN: That's right. As I say, it's two years since I've been involved so I'm not up to date, it's a fast-moving thing.

One area where I felt we made a lot of progress was in setting up the Social Security Agency, and that's mainly down to the calibre of the civil servant who was in charge of that. He was excellent, first class. He was new to social security, but he just was absolutely the right guy, and he put a very strong team around himself. That's been a big success, in my view, and I think that agency is now up and running. It's early days, but that was a big task, and the civil service team in charge of that were excellent, absolutely excellent.

TKB: You worked with two First Ministers. What do you think was the difference in their style of managing government?

AN: With Alex Salmond, I think he let you get on with the job. Nicola interfered much more, and policy making was centralised in her office. Sometimes they weren't even involving the responsible minister, in my view. She's created a Policy Unit that's only civil servants, and I think that's been a huge mistake. The head of the Policy Unit, I'm not saying they should be an MSP or a practising elected politician, but it's somebody who should know about the politics of the Government, the Government's party, and also more generally. I don't think you make good policy if you leave it up to civil servants. Civil servants, on their own, are not good at devising policies. A policy unit, yes, that's the right thing to do, but you have to have a political team at the top of it. You still need civil servants, because they do stuff. They have input to bring to the party, because they know how the machinery works and all the rest of it. They're good at research and stuff like that. But, I think that's been a failing, the fact that the Policy Unit is just civil servants. I think some bad decisions have resulted from that.

TKB: Finally, what would your advice be to any minister on how to be effective in government?

AN: A number of things. First of all, know exactly what you want to do. I'd studied government to some extent, and in every job the first thing I did was sit down and make

a list of what I wanted to achieve. So, for example, in housing I gave the senior civil servant reporting to me a list on the first day of eighteen things I wanted done.

AP: That's quite a long list.

AN: The civil service like a minister who knows what he or she wants to do. The worst thing for a civil servant is having a minister who has no idea what they want to achieve, because they tend to either make bad decisions or no decisions. Civil servants like clear guidance from the minister. You've got to be sure that they carry it out, because sometimes if they don't like it, they'll try all sorts of manoeuvres. You've got to be strong in that respect.

If I was to make a recommendation to Nicola, it would be to set up a central delivery unit. Well, first of all, I would change the policy unit and make it much more politically astute and aware, and a bit more exciting, not so cautious. It's not even cautious, it's conservative with a small 'c'. There are some areas of policy where we need new thinking, and we're not getting it. You won't get a lot of new thinking from civil servants, they're not trained to do new thinking. It's not their fault, it's not their function. I would also set up a value for money unit. Because I think, with my experience in the Public Audit Committee, there's about £400–500 million that you could redirect to achieve better results within a year or two. The prescription budget is a good example. We spend about £1.8 billion on prescriptions, that's about 12.5% of the total health budget. I reckon you could save £200 million a year out of that, just by a few, simple management measures.

AP: Without introducing fees?

AN: Oh, absolutely yes. Take paracetamol, for example. The bill for paracetamol last year was over £30 million, and the Health Service is paying something like twenty times the going price in Boots for paracetamol.

AP: It costs about 12p doesn't it?

AN: Exactly. I would be saying to the supplier: "Piss off, we're not paying you. In fact, not only are we not paying you when it costs us less to go to Boots and buy it, we want a huge discount, given the volume of our business." You could also add a general rule around repeat prescriptions. Let's say you give people, for the sake of argument, a month's supply, if they come back two weeks later for another month's supply, you have to have a trigger that prompts the doctor to ask the patient why they need more medicine. There might be a good reason, so you have to leave it up to the doctor to make the decision, but even asking the question would save a lot of money. And the patients, of course, would learn not to do that. The wastage is just beyond belief in prescriptions.

Similarly, the Lloyds of this world over-order and sometimes they don't have the capacity. For example, you go into a Lloyds in Bearsdon and give in a doctor's prescription for a headache tablet, you have to wait four or five days because it comes from Warrington. I'd be saying to them: "Not good enough". You need to bring business people in to look at the processes, because the inefficiencies are huge.

We're also so slow in the health service at introducing new techniques. Sometimes they don't even necessarily require a lot of capital equipment, but a bit of re-training. I could give you hundreds of examples, but there is a new procedure to deal with an enlarged prostate. Now, there are a lot of guys getting pills on a permanent basis, expensive pills, to deal with an enlarged prostate. There's a new procedure that takes about ten minutes, called Rezum. It's not invasive, and it has 95% success rate. If we introduced that now instead of in two or three years' time, the number of guys going about with enlarged prostates would be substantially reduced. It has no side effects this procedure, it's all tried and tested, approved down south by NICE [The National Institute for Health and Care Excellence], which means we could do it up here. But we're not because nobody is driving it. And that would save a fortune. You could set up one or two units in the country, because you're only in for five or 10 minutes and then you're out. It's non-invasive and they immediately stop taking pills because it's cured. Your enlarged prostate is no longer an enlarged prostate.

If you were running a business, you wouldn't run it this way. Now, you can't run it like a business because it's the National Health Service, but you can run it a lot better than we're running it now. Every time they create a new organisation they don't abolish the ones they're replacing. They created a new regional structure but kept the existing area borders. I reckon now there are 54 separate boards involved in running health and social care in Scotland, excluding the councils themselves. A small country of 5.5 million people doesn't need 54 health and social care boards quite frankly. Every one of them has a chief executive and chief finance officer, and a lot of the finance is actually them invoicing each other. So if you live in Ayrshire but you've an operation in Glasgow, one hospital's finance department invoices the other's [finance department].

The other day, one of my constituents told me he had been on the waiting list for a gastric band to reduce his weight. He never heard anything about it, so he phoned up and they said: "Oh, you're no longer on the list." Apparently, they decided to take him off the list, didn't send him a letter, and the GP said they never got the letter. So my question is: why the hell in 2018 are you sending letters? Surely you'd just email? The consultant's secretary just emails the GP, copies in the patient and says: "I'm taking you off the list for the following reasons, if you want to come in for a chat about it, phone us and we'll make an appointment." Instead of that, they're writing a letter, putting it in an envelope and posting it. It's absurd!

Same with the appointments system, it should be like a hotel. Your GP should be able to go into the system as you're sitting there. If the GP says you're going to have to see a

consultant, he should be able, there and then, to go in and look at the slots available and say: "Right, I've just booked you in." That's how it should be operating in this day and age. Instead of that, the GP has to write a letter to the consultant. It's a nonsense! Anyway, I could go on all day about it. There was nobody driving that stuff, because it's like a big machine with so many bits and pieces.

If your dentist says you require treatment in excess of about £350, there's a whole team of people who have to approve that in St Andrew's House. Well, £350 is not a lot of money these days, so if it needs special approval, why is somebody locally not approving that? If you give people a budget to manage, let them manage it. For some of these more expensive treatments, fine, but if that's within their budget, they manage that. You don't need a team.

I think we need a revolution in government, in how it's organised and how it delivers services at every level, from the very top to the very bottom, and back up again.

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