

FOI reference number: 202300380846

- Minutes from meeting

Minutes from the meeting between Kate Forbes, Cabinet Secretary for Finance and Economy and Fiona Duncan, Chair of The Promise Scotland

**Meeting between Ms Forbes and Fiona Duncan
Thursday 16 September
13:15 – 14:15
Virtual meeting on Teams**

Attendees:

Fiona Duncan, Chair of The Promise Scotland
[Redacted], Head of Evidence, The Promise Scotland
Fraser McKinlay, Director, McKinlay Consulting
Gavin Henderson, Deputy Director - Keeping The Promise
Nuala Gormley, Interim Deputy Director for Public Spending
Jane Moffat, Deputy Director GIRFEC, Strategy and The Promise
Jennie Gollan, SpAd
[Redacted], Policy and Engagement Lead - Keeping The Promise

The Cabinet Secretary thanked Fiona, Claire and Fraser for taking the time to meet with her. The Cabinet Secretary invited everyone on the call to introduce themselves.

Fiona thanked the Cabinet Secretary for taking the time to meet with her following the Public Services Ministerial Working Group which Fiona attended on Tuesday 24 August. Fiona noted the announcement in the Programme for Government to invest £500m in a Whole Family Wellbeing Fund.

The meeting focused on 3 key areas:

- Scottish Budget and Spending Review
- £500m Whole Family Wellbeing Fund
- Social Income Bonds

discussed in the context of the operationalisation of the Human and Economic Cost Modelling (HECM) approach used within the [Independent Care Review](#)'s final reports, [The Money](#) and [Follow the Money](#).

HECM – General points

Fiona Duncan noted that last year (2020) the Deputy First Minister referred to the HECM model as the most compelling piece of analysis he has read in a long time and that HECM was accepted by the First Minister as part of her commitment to Keeping The Promise. The Cabinet Secretary added that HECM was the best and most persuasive example of spending differently that she has seen.

HECM – Scottish Budget and Spending Review

There was a discussion among the group about HECM which originated from the Care Review analysing the human and financial cost of the care system and the 'care system' failures. This work culminated in a shared ambition for HECM to be operationalised across all budgets in Scotland, at both national and local levels. Local work is already underway, with Fraser McKinlay currently working within three Local Authority areas on behalf of The Promise Scotland. The Cabinet Secretary noted that she would like to see HECM applied across Scottish Government spend and is committed to exploring this but acknowledged the challenge in putting the approach and principles in to practice.

The Promise Scotland said that Local Authorities and Health Boards are further ahead on this approach but there are clear opportunities for central Government to embed the approach nationally. Not doing so could not only thwart national progress but also place local progress at risk; if the Government doesn't provide an authorising and supportive environment for Local Authorities, through budget processes and budget allocation, to work in this way then the Government becomes a barrier to the use of HECM. The Promise Scotland noted their role in surfacing barriers which may get in the way of making HECM happen, for example Scottish Parliament Committees and how they scrutinise spend, reinforcing The Promise Scotland's commitment to continue doing this constructively.

The UK Budget is set to be announced on 27th October and the Scottish Budget is set to be announced on 9th December. Alongside the Scottish Budget there will be a high-level framework document published which outlines a process for the multiyear spending review. The Cabinet Secretary noted that the budget for 2022/23 would be challenging. The Cabinet Secretary expressed support for bringing the HECM model into the Scottish Budget and Spending Review process to explore and test how it might be applied.

The Cabinet Secretary invited The Promise Scotland to engage with the budget and Spending Review processes, both short and longer term, with a view to working together to embed HECM at the national level. The invitation was accepted by The Promise Scotland with actions created in the interests of moving at pace:

- The Promise Scotland will send over a proposal for the Cabinet Secretary's consideration. This will include how The Promise Scotland could support HECM at a national level through design, delivery and evaluation stages, beginning with a focus on the £500m Whole Family Wellbeing Fund. To ensure cohesiveness, this will also include connections to external, relevant concepts and environments (such as social bridging and social impact bonds) and aligning the local and national approaches to HECM.
- The Promise Scotland will include within this a cost estimate for The Promise Scotland's and Fraser McKinlay's time in supporting this work.

The Cabinet Secretary and The Promise Scotland agreed on this approach and agreed that officials would work through the detail with The Promise Scotland.

HECM – Whole Family Wellbeing Fund

The Promise Scotland have identified an opportunity to begin operationalisation of HECM nationally within the design, delivery and evaluation of the Whole Family Wellbeing Fund. The Promise Scotland proposed a partnership with The Promise Scotland, led by Fraser McKinlay, to work with the Scottish Government on this. The Cabinet Secretary welcomed that proposal and asked for officials to work with The Promise Scotland to bring forward this work.

Social Income Bonds/Investors

There was a brief discussion about the need to be innovative when looking for sources of funding, such as use of social income bonds to invest into policy initiatives which have the potential for transformational long-term outcomes. The Promise Scotland explained that there is a rich diversity of third-party investors and funders in Scotland who are willing to spend money in this area of work. There was an agreement that tangible outcomes need to be agreed before any additional investment can be explored further by both The Promise Scotland and the Scottish Government.

Closing remarks

Fiona Duncan concluded her remarks by saying:

- There is a job for the Scottish Government to work behavioural change into not only finance but also governance, policy and legislation. The HECM approach offers a strong basis and methodology for shifting spending structures but is primarily about people, and the impact the 'system' has on them. It therefore must be viewed holistically which offers an opportunity; align spending, ensure value, and improve outcomes.
- The Promise Scotland will continue to push the Scottish Government to have a proper, centralised, planning approach to the 'care system' and to #KeepThePromise to ensure the improvements made are not broken back into siloed parts centrally.
- To avoid that, the Scottish Government must create and maintain a focus on connecting all 'system' components, including money, policy, legislation, governance, and data, at all levels to work together and bring cohesion.

The Cabinet Secretary closed the meeting by saying her job is to ensure that government money meets the imperative to deliver better outcomes for the people of Scotland. The Cabinet Secretary reaffirmed her commitment to operationalising the HECM approach and continuing to work with The Promise Scotland in doing so. She thanked Fiona, Fraser and Claire for their time and asked for officials to send a note of the meeting.

Meeting ends.

Agreed actions

- The £500 million fund must be designed, delivered and evaluated differently and the Cabinet Secretary would welcome The Promise Scotland, SG Finance colleagues and the lead policy team for the fund to work together to make this happen.
- The Cabinet Secretary invited The Promise Scotland into the budget process and an action was taken for finance colleagues to work with The Promise Scotland and Fraser McKinlay on both the short- and long-term budget and spending review processes from a HECM lens.
- The Promise Scotland will send over a proposal, including resource costings, which outlines how the HECM approach can be operationalised nationally, starting with the £500m Whole Family Wellbeing Fund and leading into the short- and long-term budget processes, for the Cabinet Secretary's consideration.

