

THE SCOTTISH OFFICE 1954 - 79*

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List of abbreviations

DAS = Department of Agriculture for Scotland (till 1960)

DAFS = Department of Agriculture and Fisheries for Scotland (from 1960)

DHS = Department of Health for Scotland (till 1962)

PUS of S = The Permanent Under-Secretary of State

SDD = Scottish Development Department (from 1962)

SED = Scottish Education Department

SEPD = Scottish Economic Planning Department (from 1973)

SHD = Scottish Home Department (till 1962)

SHHD = Scottish Home and Health Department (from 1962)

"The Secretary of State", unless otherwise indicated, means the Secretary of State for Scotland.

Twenty-five years have passed since the functions of the Scottish Office were described in evidence to the Royal Commission on Scottish Affairs 1952-54. What were they at the outset of 1979? Diverse enough to begin with, they had been further diversified, and increased in scale. The staff (excluding prison officers and State Hospital staff) had increased in number from about 5,000 to 8,000. This article attempts to describe some of the main areas of change, and how the structure of the Office has been modified in response to changes.

At the time of writing, our end-point is in the recent past; we have no knowledge of — nor do we intend to discuss — the outcome of devolution or any other possible new arrangements. Hence our use of the historic past tense, although the Scottish Office is alive and well and living in Edinburgh.

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1. *Industrial Development*

The Gilmour Report 1936, which led to the creation in 1939 of the four Scottish departments, recognised that the Secretary of State had a general function of promoting Scotland's interests. They described this function as "penumbral" and thought that the most senior Civil Servant in the Scottish Office, the Permanent Under-Secretary of State, (who was otherwise mainly a co-ordinator) should advise him on it rather than any of the departments. One of the most interesting stories is how this penumbra became the area in which Secretaries of State took perhaps the greatest interest, and wielded the most influence — winning some notable encounters with their Cabinet colleagues — until eventually it developed into a department with executive functions.

Scotland's interests were, in fact, closely identified with the promotion of industrial growth. This had been of concern to Secretaries of State since the Special Areas Act 1936. During the war, under Tom Johnston, an industry division was created in SHD. It was in close touch with the Scottish Council (Development and Industry) and with the Scottish Tourist Board; and it maintained continuous discussion in the Scottish interest with the departments directly responsible (particularly the Board of Trade) whom it also met at the Scottish Board for Industry and the Scottish Distribution of Industry Panel. The division prepared an annual White Paper which served as the text for a debate on Scotland's economy.

In 1961 the Toothill Report by the Scottish Council (Development and Industry) put forward ideas which were influential in the next decade. It recommended that the industrial and planning functions of the Scottish departments should be brought together in a new department which should have an economic unit. It also referred to the need for regional economic planning.

In 1962 came the reorganisation of departments under which the former SHD and DHS became the Scottish Home and Health Department and the Scottish Development Department. Industrial development was thus combined in SDD with local authority administration, land-use planning and New Town development, housing, electricity, water, sewerage, clean air and tourism. Planning was seen as giving coherence to all these functions. An interdepartmental group of officials, the Scottish

Development Group, was set up in 1963 "to stimulate and co-ordinate action designed to re-invigorate the Scottish economy".

Giving evidence in 1969 to the Select Committee on Scottish Affairs, Sir Douglas Hadow (then Permanent Under-Secretary of State) said "Scottish thought and Scottish practice pioneered in this country regional development policies". The first evidence of this was the White Paper, "Central Scotland: a Programme for Development and Growth", published in November 1963, which gave prominence to the concept of growth areas. A paper on north-east England was published at the same time.

With the advent of a Labour government in October 1964 a Department of Economic Affairs was set up to co-ordinate the Government's strategy for economic development in Great Britain. The Secretary of State was to take the lead in framing the plan for Scotland and in co-ordinating its execution. A Regional Development Division was set up, separate from the four Scottish departments and reporting to the Secretary of State through the Permanent Under-Secretary of State. This was in effect the counterpart of DEA in so far as the Scottish regional plan was concerned, DEA being responsible for the plans of other regions; but DEA was "the key department in evolving top policy". The machinery also included the Scottish Economic Planning Council chaired by the Secretary of State (1965); the Scottish Economic Planning Board of officials chaired by a member of RDD (1965); local consultative groups, each chaired by a member of the SEPC; a group of five economic consultants chaired by the Permanent Under-Secretary of State (1963).

In September 1965 the Government issued "The National Plan" which stated a growth target — a 25% increase in national output between 1964 and 1970. This was followed in January 1966 by "The Scottish Economy 1965-1970; A Plan for Expansion" which embodied the results of sub-regional studies. Transportation studies were also carried out. These papers marked the high point of large-scale economic planning; later the concept came under attack because the growth rates were not achieved, but much valuable information had been assembled, particularly in the sub-regional studies.

In 1965 the Highlands and Islands Development Board, of which more will be said in section 10, was set up.

In 1970 an economic and statistics unit, headed by a senior economic adviser, was set up in RDD. This strengthening was

well timed, because the 70s were to set a new scene. Planning took second place to the task of coping with new events, notably the development of North Sea oil from 1973 onwards; the rise in fuel prices following the Middle East war of October 1973; and Britain's entry into EEC. In the same year the word "planning" was dropped from the title of the Scottish Economic Council.

In May 1973 special responsibility was conferred by the Government on Lord Polwarth, as Minister of State Scottish Office, for all aspects of oil development which affected Scotland. Shortly thereafter the Scottish Economic Planning Department was set up, on the same model as the other four Scottish departments — with a Secretary reporting to Ministers. In addition to the Regional Development Division functions it took over from the Scottish Development Department electricity supply, New Towns, Highland development, and the sponsorship of the Small Industries Council for Rural Areas of Scotland (SICRAS).

North Sea oil developments concerned all the Scottish Office departments: infrastructure, education and health services were needed, and fisheries were affected. Arrangements were set up within SDD to co-ordinate the provision of infrastructure. Great Britain departments were also concerned, notably the Department of Energy, set up in January 1974, which had a general remit on oil; and there were numerous other interested parties. Co-ordinating bodies were therefore required, and these included an Oil Development Council chaired by the Minister of State; a Standing Conference on North Sea Oil; and a Task Force of senior officials. When oil developments had got under way the pressure eased somewhat and these bodies were discontinued, with the Scottish Economic Council taking on the oversight of oil-related problems. A Fisheries and Offshore Oil Consultative Group continued to meet.

Meantime the rise in oil prices called for an energy policy which would include conservation. SEPD, being responsible for electricity, was given the task of co-ordinating this policy for Scotland.

Throughout the period of our study, government assistance in one or other form had been available to industry — either throughout the country, or preferentially in certain areas, which generally included the whole or part of Scotland. This was

administered by the Departments of Trade and Industry or their predecessors. The Industry Act 1972 provided for regional development grants for capital projects in development areas, and for selective financial assistance.

In 1975 the function of providing selective assistance (and responsibility for export services) was transferred to the Secretary of State, acting through SEPD, which thus became an executive department with statutory functions and a sizeable block of casework. In the same year the Scottish Development Agency was set up with Government funds to provide investment facilities for firms in Scotland (the Agency also absorbed the functions of SICRAS; and it had functions in land reclamation, which are referred to in section 8). Meanwhile Britain had entered Europe, so that Scottish industry became eligible for aid from European funds, while at the same time it was necessary to ensure that aid from British Government sources complied with EEC directives. This entailed regular visits to Brussels.

"Economic planning" was now out and "industrial strategy" was in. This involved analysing the performance of individual industries, a process in which SEPD assisted.

The new department was faced almost immediately with the news that Chrysler (Detroit) was proposing to wind up its UK operation. This was high politics and it is not for us to conjecture what part the Secretary of State played either in the rescue operation as a whole, or the inclusion in it of Chrysler's Scottish factory at Linwood. But it is certainly typical of the personal attention which successive Secretaries of State have had to pay to Scotland's industrial interests.

One important ingredient had still to be added: responsibility for manpower. In 1977 the Secretary of State acquired joint sponsorship with the Secretaries of State for Employment and Wales of the Manpower Services Commission. A Director of Manpower Services was established in Scotland and a Manpower Services Committee for Scotland was set up.

2. *Relations with Local Authorities*

In 1954 there were 230 local authorities with populations ranging from over 1 million to under 400. Their powers varied, for example thirty-five were education authorities but all of them were housing authorities. It was difficult to obtain a con-

certed view from the three main negotiating bodies. The formula-based Exchequer Equalisation Grant was paid to equalise their rating resources, but their main source of central finance was specific grants towards some fifteen or more services, of which education was by far the largest. Departmental controls were exercised over the spending of these grants. Numerous detailed controls were also embodied in the enactments under which the authorities operated. There was a stated intention to give them more freedom of action, but this was difficult because many were too small and too weak in resources to carry out their functions effectively.

The first step was taken in 1959, when the specific grants for education and some other services were replaced by a general grant. The total for Scotland was negotiated annually and was related to the total estimated expenditure of all authorities on the relevant services, but the distribution between authorities was based on demographic factors. They were thus free to determine their priorities in spending this revenue resource. Capital expenditure was controlled through the Secretary of State's consent to borrowing. But there were still some important subsidies and specific grants which remained (e.g. police). In 1967 the Rate Support Grant was introduced which combined the main features of the general grant and the Exchequer Equalisation Grant, together with an element to finance prescribed reductions in domestic rates.

Proposals for local government reorganisation were made by the Wheatley Commission and were enacted, with some variations, in 1973 to take effect in May 1975. There were then nine regional authorities with major functions, fifty-three district councils whose functions included housing and local planning, and three general purpose island authorities. The Strathclyde Region covered about half the total population and was widely held to be unwieldy for many purposes, though well fitted for major planning. Many detailed controls were abolished. Consent was now required to capital expenditure instead of to borrowing. The new authorities formed themselves into a single negotiating body, the Convention of Scottish Local Authorities (COSLA).

This reorganisation enabled the departments to negotiate with the local authorities new methods of controlling capital expenditure. In 1977 a financial planning system, devised by a joint Scottish Office/COSLA working party, was introduced

for capital expenditure. Local authorities put forward their proposals for a five-year period, and formal consents were given for the first year together with guideline figures for the ensuing two years. Block allocations for services were issued, leaving authorities to determine priorities of individual projects.

Professional staff in departments became more concerned with design guidance to authorities than with project control. Some staff reductions in departments were effected.

In educational building each authority was given a block allocation covering all school and further education college building; and project control by SED was relaxed. In water supply and sewerage, in cases where specific grants applied, there was still a degree of project control, but procedures were simplified. For roads and public transport, an annual statement of transport policies and programmes was prepared by each council and submitted as the basis for consent to capital expenditure. The system for housing, which was on similar lines, is described in more detail in section 3.

The concept of "disengagement" applied in other spheres besides finance. Some of these are described in sections 4 and 8.

3. *Housing*

In the early years, the need was to keep up a big building programme of houses for general purposes, subsidies being payable at a fixed rate per house. To qualify for subsidy, houses had to conform with the department's standards. In 1957 the department had "housing inspectors, each of whom pays regular visits to the local authority schemes in his area where building work is in progress, and examines in particular the standards of workmanship".

As time went on there was more emphasis on housing for particular needs (overspill, incoming industry, redevelopment of town centres), on housing for older people, and on the improvement of existing houses. The subsidy was differentiated to take account of varying factors, and was revised several times, but always within this general concept. But there was still emphasis on expansion. The White Paper "The Scottish Economy 1965-70 — A Plan for Expansion" was matched by "The Scottish Housing Programme 1965-70" which announced a programme of 50,000 houses a year to be reached by 1970. It was not until

1976 that expenditure on new house building, which had for many years been open-ended, in so far as no limit was placed on the number of houses started in any year, became subject to annual expenditure limits.

Following on local government reorganisation, a joint SDD/COSLA Working Party recommended in 1977 a revised system which would enable local authorities to plan according to their own concept of need, subject to the Secretary of State's consent to capital expenditure. Authorities were accordingly asked to submit for approval their first five-year housing plan for 1978-83. Each plan was to incorporate an analysis of housing provision and housing needs; a statement of the authority's objectives; and a costed capital programme. Project control was largely replaced by the issue of design guidance. These plans were to be reviewed and rolled forward annually; at the time of writing a second round was in progress.

To match this system a new form of government subvention, the Housing Support Grant, was enacted in 1978 to take effect on 1 April 1979. The total amount was to be fixed annually in consultation with COSLA and was to be related to estimated expenditure and estimated reasonable contributions from rents and rate funds. The distribution to each authority was to be based on that authority's need for expenditure in excess of a basic amount to be met from local resources.

The development of the new housing plans and the introduction of the Housing Support Grant were fundamental to the Green Paper "Scottish Housing — A Consultative Document" published in 1977; but that document also reviewed progress generally and invited consideration of a number of options.

Scotland pioneered the control of standards in housing as well as other types of building with the passing of national legislation to replace the former local authority by-laws. By 1963 the Building Standards (Scotland) Regulations had come into effect. Their review, updating and administrative oversight became the responsibility of a division in SDD reporting to the Chief Architect.

4. Education

The Scottish Education Department in 1954 was a small, tightly-knit department, much occupied with approving detailed schemes of educational provision and administering the educa-

tion grant to local authorities, and through HM Inspectorate with the formal inspection of schools. The Inspectorate conducted the school-leaving examination and hence controlled the curriculum for many pupils. The department also exercised control over the grant-aided central institutions for higher education (other than the agricultural colleges which were the concern of DAS). Such institutions were mainly concerned with technical and vocational training. From 1955 the department administered the school milk scheme. The history since then has been one of diversifying functions — partly as education itself has extended and diversified — a lessening of detailed control, and greater involvement of other parts of the educational system in framing policy guidance.

Functions were added to the department in 1960. The administration of grants to students in higher education entailed a large block of routine work. Child-care functions came over from SHD, foreshadowing later developments in social work; also certain functions relating to the four older universities. The main Government involvement with universities remained however on a Great Britain basis, with SED providing an assessor to the University Grants Committee.

Some relaxations of financial control were made in 1959 when the former specific grant for education was merged in the general grant to local authorities. HM Inspectors were relaxing their regular detailed inspection and reporting of individual schools, and were devoting more time to development work. In 1965 the Scottish Certificate of Education was taken over by the SCE Examination Board. The Consultative Committee on the Curriculum was set up under SED chairmanship; by 1978 there was a network of working parties and sub-committees dealing both with individual school subjects and also with broader aspects of education. In this way the teaching profession, local authorities and others were brought in. HM Inspectors were still involved both in helping to frame the guidance produced by the committees and in bringing it to the notice of the education authorities mainly through their territorial organisation. They continued to produce reports of their own on general themes.

In 1965 the General Teaching Council was set up to maintain a register of qualified teachers — and thus to take over responsibility for the recognition of teachers from the Secretary

of State — and to carry out functions, mainly advisory, relating to standards of entry to the teaching profession and to the training and supply of teachers.

Among the main growth points in education during this time were further education and vocational training; informal further education; and the provision of recreational and cultural opportunities for young people. These entailed the appointment of more specialists within the department as well as the setting up of bodies such as SCOTEC (The Scottish Technical Education Council) and SCOTBEC (The Scottish Business Education Council). The central institutions, reduced in number when Heriot-Watt and Strathclyde Universities were established, continued to be grant-aided by the department although subject to less detailed control. Another growth point was the teaching of the mentally handicapped, extended in 1974 to all mentally handicapped children some of whom had earlier been labelled “ineducable”.

The Education (Scotland) Act 1969 relaxed a number of detailed controls. But some important controls were maintained, notably the requirement of the Secretary of State’s consent to school closures. The Secretary of State’s duty to inspect schools became a power. Inspection is now conducted with less formality and on a less comprehensive scale, but it remains the SED view that there is value to the teaching profession in a regular programme of inspections.

5. *Social Work*

The Kilbrandon Report on Children and Young Persons (Scotland) (1964) made two recommendations: a system of children’s panels to replace juvenile courts; and a social education department in local authorities to cater for children with special needs. Comments on the report indicated a need for a more widely based department catering for families. A group was set up to study this concept and the result was a White Paper, “Social Work and the Community” (1966), which announced the Government’s proposals to set up integrated social work departments. The decision to set up children’s panels had already been announced.

These concepts were pioneered in Scotland. In 1968 the Seebohm Committee reported for England and Wales with broadly similar proposals for the setting up of social services

departments: it did not deal with juvenile justice. There were exchanges of ideas among departments leading up to the enactment of the Social Work (Scotland) Act 1968 and the Local Authority Social Services Act 1970. The former Act took effect partly in 1969 and partly in 1971; and the latter in 1970.

An interdepartmental unit was set up to prepare for legislation and in 1968 this became the Social Work Services Group attached to SED. Social work advisers, working closely with the administrators, were organised as a Central Advisory Service.

The new local authority departments were to be built up from a number of elements, including probation which in England and Wales remained a separate service. Kilbrandon had recommended that the equivalent of probation supervision of children should be provided within the new departments; and a separate service for the adult offender would have been too small to be viable. This was among the most controversial aspects of the legislation. The Scottish service had been criticised in a 1962 report as not sufficiently linked with the court service, and its disappearance as a separate entity raised further criticism. Over subsequent years a better relationship with the courts was achieved but the service was still under stress in some areas.

Aftercare of offenders, which till 1963 had been carried out by SHD officers working to the Scottish After Care Council, had since then been a function of the probation authorities and was transferred to the new departments. Some of this work was still done by SHHD prison welfare officers who in 1973 transferred to local authority employment.

Other elements included the welfare and aftercare services which had been provided by local authorities for old people, for the ill, and for the mentally or physically handicapped; child care; and the care of homeless families — later to be transferred to housing authorities by an Act of 1977. All these functions were subsumed under a general duty on local authorities to promote social welfare in their areas: this function was more broadly expressed than in the English Act, and there were wider powers to give financial assistance. The approved schools, henceforth called “List D Schools”, continued to receive Exchequer Grant and remained under direct control by SED in accordance with transitional provisions of the 1968 Act.

The Social Work Services Group had a heavy task, together with the local authorities, in laying the groundwork for the new

system. The legislation, which was controversial, had to be prepared and carried through. Panels of volunteers to conduct the children's hearings had to be set up, the volunteers had to be trained and full-time reporters appointed. There were negotiations with training institutions to set up courses for social workers. Although Scotland had been ahead in ideas, the physical and other provision which existed at the time was poorer in some respects than in England and Wales; and it took several years to begin to build up towards a more acceptable level.

6. *Roads and Transport*

The transfer of "roads, bridges and ferries" from the Ministry of Transport to SHD in 1956 followed a recommendation by the Royal Commission on Scottish Affairs. It included the department's direct responsibility for the construction and improvement of trunk roads, together with the payment of grant to local authorities in respect of their expenditure on other roads. The timing was fortunate; Government expenditure on roads was increasing, and an Act had been passed to authorise a Forth Road Bridge. Work was started on the bridge in 1958 and it was opened in 1964. Subsequent major schemes included the Tay Road Bridge which opened in 1966. A good start was also made on the construction of a motorway network in Central Scotland and on the improvement of road links with England.

In 1967, with the object of giving local authorities more freedom in planning and programming the improvement of local roads, the financial support which they received through specific grants was incorporated in the general support to local authority revenues through the newly introduced Rate Support Grant. A specific grant continued to be payable for building or improving "principal roads". Central government expenditure on roads increased from £6m in 1957 to £42m (excluding Rate Support Grant) in 1970.

In the Highlands some limited assistance had been given since 1897 to rural roads and steamer services, and for some years past there had been further Government underpinning of MacBraynes. Wider powers to assist Highlands and Islands shipping services were conferred by an Act of 1960. The DAFS went into this with a will, taking part in the design of ships

which were built to their order and chartered to MacBraynes and to the Orkney Islands Shipping Company Limited. A revenue subsidy was also paid.

The Transport Act 1968 created the Scottish Transport Group which took over the entire shareholding in the Scottish Bus Group and the half-share in MacBraynes which had been owned by the former Transport Holding Company. The assets of the Caledonian Steam Packet Company were also taken over, and later the Group acquired full control of MacBraynes. Responsibility for the Transport Group was placed on the Secretary of State who thus for the first time acquired functions on road passenger transport. A new division was formed within SDD to deal with the Secretary of State's responsibilities, which included grants to the Group for facilities in urban areas and to improve transport in rural areas. Other forms of transport such as railways and air services were not included in the Group's remit, nor were they among the Secretary of State's statutory functions, but throughout the period he had intervened in discussions on these matters when Scotland's interests were at stake.

In 1973 the Group's major ferry services were transferred to a new subsidiary, Caledonian MacBrayne, for operation on an unsubsidised basis. However, in 1975, owing to increased oil prices, the company could no longer pay its way without an unacceptable increase in charges and the Secretary of State introduced a revenue grant.

With the reorganisation of local government in 1975 a new financial and administrative framework was introduced for local authority activities on roads and public transport. An annual statement of transport policies and programmes was prepared by each regional and island council and submitted as a basis for consideration for consent to capital expenditure and for Rate Support Grant.

7. *Water and Sewerage*

The Secretary of State was responsible for national policy on water and sewerage services and for the quality of the aquatic environment. Local authorities and river purification authorities shared the management and operational activities for these functions.

Over the years SDD guidance influenced the planning of

major developments such as the Loch Lomond scheme to supply water in bulk to authorities in the populous central belt of the country. Through management of local authorities' programmes, control was exercised over their expenditure on the provision of services.

The growing concern of the public with the quality of the environment and the need for legislation to improve the appropriate services was recognised. The success of government policy in this field was monitored by surveys carried out and published on a national basis.

8. *Land Use*

The central department for statutory land-use planning was the Scottish Development Department. We have described in section 1 how this function, linked with others in the department, broadened out into the concept of regional planning in the 60s. Studies were made of sub-regions, and joint activities by local planning authorities were promoted.

A major concern at this time was the development of New Towns to take overspill population from the overcrowded areas of Glasgow and to provide growth areas for new industry. Development corporations were set up for five New Towns over the period 1947 to 1966. Other measures were taken to improve the environment and to promote its enjoyment. Reclamation of derelict land was carried out by local authorities and attracted a high rate of specific grant. The Countryside (Scotland) Act 1967 established the Countryside Commission for Scotland to develop facilities for the enjoyment of the Scottish countryside and for the conservation and enhancement of its natural beauty and amenity. The Act also provided for grants payable by the Commission on behalf of the Secretary of State for countryside purposes. The transfer to the Secretary of State of policy on ancient monuments, in 1969, recognised his concern with Scotland's heritage. The Secretary of State's responsibility for ancient monuments was made complete by his assumption, in 1978, of their care and custody.

The statutory machinery for land-use planning involved preparation of development plans by the local authorities and consideration by the Secretary of State of appeals against refusal of planning permission, as well as applications for permission which he had "called in" because of their importance. The

small size of some planning authorities posed problems, especially in West Central Scotland. In 1972 a reporters' unit was set up as part of the Scottish Office Central Services (of which more will be said in section 16) mainly to secure greater speed in reporting of planning inquiries. The Planning (Scotland) Act 1969 divided the development plans into two tiers of which only the structure plans, in narrative form setting out the authority's policy and general proposals, were to be submitted for the Secretary of State's approval. There could then be a public examination in front of the reporter which would be confined to important issues previously announced, together with any other issues raised in representations. The system came into force with local government reorganisation and the new authorities were also required on this first occasion to prepare regional reports covering their economic and social plans as well as land use.

Agricultural and forestry uses of land were not subject to planning permission. Here DAFS had the main interest. The Forestry Commission, responsible for most tree planting in Scotland, agreed its proposals with DAFS. The department itself owned and managed a landed estate comprising mainly small holdings of land acquired for settling people on small plots, together with land acquired by the Secretary of State under the Forestry Acts but used meantime for agriculture. Including certain other properties the total extent of this estate in 1954 was 780,907 acres. But the department also had a more general interest in the effective use for food production of Scotland's sixteen million acres of agricultural land.

Agricultural executive committees, on which local interests were represented, had been appointed under an Act of 1948 (they were a revised form of a war-time organisation) to assist in promoting this interest. Up to 1958 they had powers of enforcement to ensure good husbandry and good estate management. Thereafter their function was confined to commenting on planning proposals which involved the diversion of agricultural land to other purposes. They also concerned themselves with pest control. In 1972 the committees were abolished and the functions reverted to the department.

Crofting was a special problem, because of the small and poor units and the type of tenure, which gave security but was not always helpful to the crofter in developing his holding. In 1955 the Crofters Commission was appointed; it had powers

which were extended in 1961 relating to the tenure of the crofts, and also acted as the Secretary of State's agent in administering grants for agricultural development on crofts. The Commission recommended, and it was enacted in 1976, the crofters should have power to buy their holdings.

Numerous other public bodies also had an interest in land use — and the lack of any mechanism for “binding together separate policy strands” was criticised by the Select Committee on Scottish Affairs, “Land Resource Use in Scotland” 1972. A standing committee on land-use resources was thereafter appointed, representing three Scottish Office departments (DAFS, SDD and SEPD) together with the Countryside Commission for Scotland, Forestry Commission and Nature Conservancy. This proved a useful forum.

Meanwhile, in the 70s, the situation continued to change. North Sea oil developed, and this gave SDD the opportunity to issue national planning guidelines on coastal development — to be followed later by guidelines on the location of industry. Concern with overspill was replaced by concern for the decay of inner city areas. An urban renewal unit was set up in SDD in 1975. Shortly thereafter the development of Stonehouse, recently designated as Scotland's sixth New Town, was discontinued; and a number of initiatives followed to reverse the decline of Glasgow and its conurbation. The most notable of these was the Glasgow Eastern Area Renewal (GEAR) Project, led by the Scottish Development Agency but with close continuing departmental involvement. This project set the pattern for a number of inner city “partnership” schemes subsequently established south of the border. Also in 1975 the Scottish Development Agency (as one of its functions — the others are mentioned in section 1) took over from local authorities the grant-aided programme of land reclamation.

Forestry policy was reviewed by the Government in 1972; the planting programme was restricted and more stringent conditions were placed on grant aid to private forestry, though grants were increased in 1977. Following criticism by the Public Accounts Committee of the net cost of maintaining the small-holdings estate, DAFS began encouraging sitting tenants to buy their holdings. As a result of this and other measures, in 1975 the total extent of the estate managed by DAFS was reduced to 599,983 acres.

9. *Assistance to Agriculture and Fisheries*

The development of the Department of Agriculture and Fisheries for Scotland's role in supporting agriculture and fisheries during the period might be described as “from war time to Europe”.

In 1954 there was still much concern with such matters as the control of scarce materials, the organisation of extra workers for the harvests, a machinery service to provide farmers with the use of tractors. Fixed prices for the staple agricultural products were decided in collaboration with the Ministry of Food, after an annual review in which producers were consulted. There was a ploughing-up grant to bring as much land as possible under cultivation.

Other subsidies were also payable, for example hill cattle and hill sheep, calf rearing and marginal agricultural production. Three Scottish milk-marketing schemes were in operation. Schemes were administered for livestock improvement. Pest control was actively pursued by the agricultural executive committee and grants were payable. The department was responsible for seven agricultural research institutes (later increased to eight), and was associated with three agricultural colleges which also provided an advisory service. Crop inspection and certification was provided as a service to the industry; there was provision for grants to capital works such as arterial drainage; minimum agricultural wages were enforced, and measures taken for the safety of workers.

By 1979 there had been many changes. Animal health responsibilities had been acquired, and with the dissolution in 1955 of the Ministry of Food, the annual price review had been conducted along with the Minister of Agriculture, Fisheries and Food on the basis of guaranteed minimum prices. Other added responsibilities included meat hygiene, milk and dairies hygiene, and administration of the Royal Botanic Gardens. Inspection duties under the fat stock guarantee scheme had been shed to the Meat and Livestock Commission, and safety of workers to the Health and Safety Executive. Pest control was still a concern, and was the subject of research, but the department was no longer taking the initiative in promoting co-operative schemes. The Red Deer Commission, set up in 1959 to deal with marauding deer, had gradually taken on a wider interest in the conserva-

tion and management of the national stock of deer. Marketing co-operation schemes had been set up under an Act of 1967. Relations with the agricultural colleges were concerned more with commissioning of research, in accordance with the Government statement "Government Research and Development" 1973, and less with the details of administration.

Accession to the European Community made a big impact on many of the department's functions. Up to 1973 the annual review had been a self-contained affair involving only the agricultural departments and the producers. But from 1973 its purpose changed to assisting in the formulation of UK policy in relation to the common agricultural policy of EEC. And since the UK was concerned to give due weight to consumer and manufacturing (including food-processing) interests, it was necessary to bring these interests into consideration. The Secretary of State, as a multi-purpose Minister, was well placed to take a broad view in the discussions at Ministerial level. For DAFS officials, it meant participation in the UK team engaged in formulating the policy which was generally presented at Brussels by MAFF.

The Secretary of State was one of the four Ministers responsible for the Intervention Board, set up under EEC policy to buy surplus stocks if the support price was not reached. DAFS officials were employed to check the quality of dairy products before purchase by the Board.

Application of the Community's common agricultural policy entailed changes in the system of grant and subsidy support. EEC directives were concerned with farm modernisation; income levels of those engaged in agriculture; and (of particular importance to Scotland) special aids for farming in less-favoured areas. Capital assistance for the development of farms and horticulture, along with the hill-farming subsidies, had to be adapted to Community requirements. Assistance was given from EEC funds for individual projects in Scotland. Other grants continued under UK or Scottish enactments.

In 1960 the department had acquired on transfer from SHD fisheries functions which included subsidy, capital assistance to the industry, responsibility for fishery harbours, research, fisheries protection, and participation in international negotiations. In the 70s there were crucial events. North Sea oil was developed; overfishing caused a decline in stocks; nations sought

to extend their fishery limits; Britain entered the EEC. The English industry, which had depended more on distant-water fishing, declined relatively in importance so that Scotland came to have at least an equal voice in the affairs of the industry.

North Sea oil problems were met by the formation of a consultative group (also mentioned in section 1) which helped to foster better relations between the industries. Fishery limits and conservation presented a more intractable problem. In 1977 the UK and other EEC member states extended their limits to 200 miles, thus bringing the main fishing grounds under the jurisdiction of coastal states, but there was no agreement on a common fisheries policy covering quotas, access, conservation structure and control of enforcement. Interim arrangements were maintained. In all these discussions Scotland played an important part at Ministerial and official level.

The extension of limits increased the task of fishery protection. This was met by co-operation between the Royal Navy and the department's protection fleet with air surveillance by RAF Nimrods. Fish producer organisations, covering most of the fleet, were set up to operate the EEC marketing and support price system. Applications were submitted for aid from EEC funds towards capital schemes to improve fish marketing and processing.

10. The Highland Problem

The small minority of Scotland's population who live in the Highlands and Islands, and the large empty spaces around them, took up a good deal of departmental thinking. Some of this has been mentioned already: assistance to crofters and assistance to shipping services. The shipping services later became part of the Scottish Transport Group; and earlier there had been other Highland projects which paved the way for wider developments. The North of Scotland Hydro-Electric Board preceded the nationalised electricity industry; the Highlands and Islands (Medical Services) Scheme was a forerunner of the NHS.

In 1954 SHD, which had inherited from the old Scottish Office the responsibility of aiding MacBraynes, claimed also to have Highland responsibilities "of a more general kind". Jointly with DAS it serviced the Advisory Panel on the Highlands and Islands and it also chaired an interdepartmental committee which "keeps the whole Highland problem under review". This problem

had been defined, in a programme presented to Parliament in 1950, as one of furthering economic development rather than preserving the existing population in their traditional pursuits. There was also a Highland division in DAS dealing with assistance to crofters, transport piers and township roads, and DAS had relationships with bodies such as the Scottish Country Industries Development Trust. In 1960 DAFS took over the general Highland responsibility along with fisheries and steamer services, while surrendering their township roads to SHD roads division. There followed a period of activity on shipping services as described in section 6.

The Royal Commission on Scottish Affairs had rejected the idea of a Highland Development Authority, with comprehensive powers and displacing the existing bodies with particular responsibilities for the Highlands. In the 1960s, however, there was growing recognition that special measures were needed to tackle the long-standing and intractable problems of the area; and there was continuing pressure from the Highland Panel for the introduction of executive machinery with powers to initiate and sustain economic development. This led to the establishment in 1965 of the Highlands and Islands Development Board, charged by statute to improve the economic and social conditions of the Highlands and Islands and to enable the area to contribute effectively to the national economy. The Board had executive powers to initiate developments and enterprises at its own hand, to make investments and to assist and support private sector undertakings across the whole range of the economy of its area. It did not however replace such existing bodies as the Crofters Commission, or the Forestry Commission, nor did it take over the discharge of the functions of individual Scottish Office departments in the area. A representative body, the Highlands and Islands Development Consultative Council, was set up to advise the Board on the exercise and performance of its functions.

The Board promoted developments in agriculture and fisheries but its main interest was in industry, for which it identified three growth areas. In 1968 it was given power to acquire equity in new or existing companies, in supplement of its previous powers to assist by grants and loans. In the same year it announced a major industrial development — the decision to locate a new aluminium reduction plant at Invergordon.

In the same year departmental functions were rationalised by the transfer from DAFS to SDD of responsibilities for Highland development. This included not only sponsorship of the Highlands and Islands Development Board, but shipping services, marine works, and relationships with bodies such as the Scottish Country Industries Development Trust. The transfer took account of the increasing emphasis on industry, including large-scale projects, and also brought together all transport functions in the department which was to deal with the newly formed Scottish Transport Group. When SEPD was set up in 1973 it took over Highland development together with tourism; transport matters, however, reverted to SDD in 1977.

In 1966 the population of the Highlands and Islands became stable, after a long period of continuous decline, and from then to 1977 it rose from 299,789 to 330,823. This, and marked improvements in employment rates and *per capita* earnings relative to Scottish and GB levels, can surely be regarded as consequences of the efforts made to deal with “the Highland problem”. Then in the 70s came the development of North Sea oil which benefited some parts of the area. But the problems of the area as a whole were certainly not solved. And the Highlands had no monopoly of problems: even before the Highland clearances were forgotten the clearances of central Glasgow (to which so many Highlanders had emigrated) were beginning to cause anxiety.

11. Health Services

In 1954 the DHS was well established in its role of central department for the NHS which had been set up in 1948. The three arms of the service were administered by regional hospital boards, executive councils (for general practitioner services) — both directly responsible to the Secretary of State — and local authorities (mainly for preventive and aftercare services).

Health care changed and developed. Tuberculosis waned, geriatric problems increased. New medical discoveries created new demands. Long-stay care fell behind public expectations. As the services (and particularly the hospital service) became more complex there was a need for more tasks to be carried out on an all-Scotland basis. Some of these — for example the provision of legal advice to hospitals — were carried out by boards acting jointly, while in others — such as running the

Hospital Centre with its library and exhibition facilities — the boards and department participated. But many tasks fell on the department, which at one time was even running practical courses for hospital domestic workers.

Operational research, work study and collection of statistics were combined in 1965 to form a health service research and intelligence unit. In 1958 the Health Education Unit was set up. Central contracts for supplies were placed by the department. When the hospital long-term building programme was inaugurated in 1962, the department became heavily involved in the preparation of planning guidance. It was also involved in an actual building job: health centres could be provided either by local authorities or by the department, but it was the department which took the major part till 1974. In 1970 the Hospital Advisory Service was set up to monitor and advise on care in long-stay hospitals.

The reorganisation in 1974 of the Scottish and English health services was the outcome of a lengthy debate, in which Scotland — prompted by the disadvantages of a tripartite service, particularly as seen by general practitioners — was the first to raise the questions and to suggest some of the answers. Once the need for change had been accepted, the main point at issue was whether the local authority services should be brought into the new combined service. A difference on this between the two countries would not have been tolerated by the local authorities, so doubtless the point had to be argued out. But on other points there was agreement to differ; for example England had an extra tier of authorities and a more complex management structure.

In Scotland there were now fifteen health boards, each responsible for all health services in its area; and a Common Services Agency to carry out all-Scotland services under joint departmental and health service management. This agency took over from the department the Health Education Unit, the Research and Intelligence Unit (renamed Information Services) and the Supplies Division (except procurement policy). It also had diverse other functions, ranging from ambulance services to prescription pricing. It must have seemed a tidy idea: the department would be left free to concentrate on its policy functions, while various other *ad hoc* management devices (such as the provision of ambulance services by contract with the St Andrews Ambulance Association) would be rendered un-

necessary by bringing all these units within one agency. But the result was an unwieldy body which soon developed management problems.

One of the basic aims of the reorganisation was that long-term planning should be carried out in consultation with the professions working in the service. This involved the creation of the Scottish Health Service Planning Council, with several programme groups and advisory groups, a network of professional consultative committees, and a planning group within the department. So the department's professional staffs found their roles changing. In earlier years while maintaining contact with members of their professions, they had had a mainly advisory role within the department. Now they became increasingly involved with programme and advisory groups as well as in long-term planning. To make way for these new tasks there was a need to disengage themselves from other work; but this was not easy in a situation where fifteen new boards, faced with new responsibilities at a time of financial stringency, were finding the going hard.

12. Law and Order

From 1954 to 1978 the prison population more than doubled; figures for crime increased even more. Legal aid was extended by stages, covering criminal legal aid and advice and assistance. Capital punishment was abolished, and with it a painful area of decisions by the Secretary of State on the Royal Prerogative of Mercy, but difficult decisions still had to be made in this field and were sometimes the subject of public controversy. There was growing dissatisfaction about the prevention of crime and in various areas of law such as liquor licensing and divorce. There was the threat of nuclear war and the need to provide against civil emergencies, whether produced by storm, flood, fire or industrial action.

The department was heavily involved in the problem of crime, though needless to say no magic remedy was found. A Criminal Justice (Scotland) Act of 1963 incorporated recommendations of an advisory committee, mainly on custodial measures and compulsory aftercare for young adult offenders under twenty-one. Other measures substantially increased the courts' powers to impose monetary penalties. Accommodation in prisons and other penal establishments was increased, but not

at the same rate as the prison population, so there was overcrowding. The Scottish Council on Crime in 1975 directed attention to preventive measures and gave support to developments in urban renewal. Community service orders, as an alternative disposal for offenders, were introduced experimentally in 1976 and were made generally available by an Act of 1978.

The main effort went into the strengthening of the police, whose numbers increased from 7,654 in 1954 to 12,399 in 1978. This increase was accompanied by a reduction, in stages, in the number of police forces; in a series of amalgamations these were reduced from thirty-three at the start of the period to twenty by 1970 and after the reorganisation of local government to eight. The larger forces that resulted were better equipped to combat crime. During the same period the number of civilians employed in support of the police more than trebled.

Police training was developed. Centralised training for inspectors and sergeants began at the Scottish Police College in 1954. They were joined there by probationers in training in 1960. By 1978 the College provided training for all ranks from constable to superintendent. As part of the greatly increased emphasis on crime prevention, encouragement was given to police initiatives to involve themselves more positively with young people and the community at large in order to obtain their co-operation.

The licensing law was revised in 1962. By an Act of 1970 the State Management Districts in Easter Ross and Dumfriesshire (where all licensed premises had been owned and managed by the Secretary of State — there was a similar district in England) were abolished. The system had been set up to deal with problems of the First World War and may have become something of an anachronism — of a state-owned kind which was particularly unacceptable to the Government of the day.

Law Commissions for England and Wales and for Scotland were set up in 1965 to make proposals for systematic law reform. The programme of the Scottish Commission was approved by the Secretary of State, who also appointed the Commissioners jointly with the Lord Advocate. In 1972 these functions all passed to the Lord Advocate, but SHHD was still involved in consideration of the Commission's proposals. Legislation was passed on divorce, land tenure, damages and other civil law matters.

A new body, the Scottish Courts Administration, was set up in 1971 under a Director to take over from SHHD the administration of the sheriff courts. As well as reporting to the Secretary of State on court administration the Director reported to the Lord Advocate on certain subjects transferred from SHHD in 1972.

In 1975 the burgh and JP courts were replaced by district courts, where the judges were JPs and the staff were provided by district and island councils. Departmental interest in these courts was shared by SHHD and the Secretary of Commissions.

On home defence (formerly civil defence) the departmental effort was greatly reduced in 1968 when the local Civil Defence Corps and Auxiliary Fire Services were disbanded. Thereafter the main function was contingency planning and maintenance of a central warning system and other reserve facilities. Co-ordination of effort in civil emergencies however produced was at times a strenuous task. Departmental control over the fire service was mainly financial and varied little over the period, changes stemming mainly from alterations in the grant arrangements. In recent years a growing proportion of fire service resources was directed to fire prevention.

13. Administrative Devolution

A number of functions were transferred during the period from Great Britain to Scottish departments. These are detailed in Appendix 4: among the most important were electricity in the South of Scotland (1954), roads (1956), selective assistance to industry (1975). In the main these were political moves arising from the continuing pressure for "more Scottish say in Scottish affairs" though some minor moves (e.g. Botanic Gardens 1969) may have been dictated by administrative convenience. At least one (formation of Scottish Transport Group 1968) appeared from Press reports to have been a personal victory by the Secretary of State of the time. The moves were paralleled by the appointment of a Secretary of State for Wales in 1964 and his assumption, in 1971 and 1978, of full responsibility for health and education.

But was the Scottish Office going its own way in all these fields or was it merely copying English policies? In many contexts there was no question of copying, because it was doing something different. It was assisting a different kind of fishing industry, attending to the reform of a different body of civil

and criminal law, confronting a different set of housing problems, relating to different educational institutions and to a different system of local government. Or it was devising uniquely Scottish solutions, such as the Highlands and Islands Development Board, for uniquely Scottish problems. But there were also government policies which applied over the whole country, because of their wide repercussions (raising of the school leaving age) or because they embodied the Government's political thinking (phasing out of pay beds from hospitals). Any Scottish considerations bearing on such policies were a matter for the Secretary of State to raise in Cabinet. Apart from this, there was a good deal of common thinking and mutual influence between departments; this is well known, but it is not so generally appreciated that the Scottish Office often took the lead in such thinking. Examples are: the integration of social work departments; the reorganisation of health services; regional economic planning; control of building standards.

Another point, which is perhaps not fully appreciated, is the extent to which customer expectation of parallel facilities was often the deciding factor. An interesting case study is afforded by the inception in 1970 of the Scottish Hospital Advisory Service. An inquiry report having revealed bad conditions in a mental handicap hospital in Wales, Richard Crossman decided to set up an advisory service which would visit long-stay hospitals and report. It then became inevitable to set up a Scottish counterpart, not because of any pressure from Government or DHSS, but because the Secretary of State would otherwise have been criticised for his inaction if any Scottish hospital had been found wanting. But the Scottish service was organised on somewhat different lines, which have proved acceptable in the Scottish situation.

14. *Professional Staffs*

Even to define this term is not easy, since administration is itself a profession, and since persons qualified in other professions may be employed wholly or partly on administration. We include in the term those civil servants in the Scottish Office who were qualified in some profession other than administration and whose main role entailed making use of their professional expertise.

From the outset departments had need of such people.

Indeed one professional group — HM Inspectorate of Schools — having been founded in 1840, antedated by some thirty years the department itself. Throughout the whole period which we are considering the professions employed were diverse and their tasks even more so. But during the period there was certainly an increase both in numbers of staff and diversity of professions; new ways of organising their services emerged, and their roles in many ways changed.

Some groups increased in relative importance: for example the nurses, whose increased role in the central department matched the recognition, throughout the Health Service, that this large and important group of staff should have more say in policy decisions. In 1954 the DHS nursing adviser was a solo post; by 1979 the chief nursing officer had a staff of nine nursing officers.

Agricultural economists had been employed in DAS from the outset, but the role of economists became more extensive with the growing emphasis on industrial development, and in 1970 an economics and statistics unit under a chief economic adviser was set up which in 1973 became part of SEPD. A chief statistician in Central Services headed the statistical organisation for all departments.

During the period HM Inspectorate of Constabulary was also strengthened and its role was altered to exercise a greater influence on development of policing methods; from about 1970 onwards the former system of formal inspections was replaced by informal discussions in depth at which all ranks had the opportunity to express their views.

Social work was represented, at the beginning of the period, by case workers in SHD and in the prison service who dealt with welfare and after-care. By 1979 there was a strong team of social work advisers in SED, and all casework functions had been handed over to local authorities.

Following the Government statement "Government Research and Development" in 1973, departments were required to control, as customers, the research which they commissioned. This called for more extended scientific advice within the departments. A Chief Scientist Office was set up in SHHD, taking over from the previous Advisory Committee on Medical Research which had more limited functions; and a Scientific Adviser's Unit was set up in DAFS. The Central Research Unit

had been formed earlier to handle social science research for all Scottish departments. Arrangements for the commissioning of research were also made in the other departments.

A trend which applied to several groups was that of disengagement from the detailed inspection or control of particular situations, with greater emphasis on the issue of general guidance. This arose largely from the policy towards local authorities, although in the case of HM Inspectorate of Schools it was the teaching profession, just as much as the authorities, whose work was the object of inspection and detailed comment. It seems to have been the Inspectors themselves from the late 50s onwards who felt the need to take a more positive role in assisting change and development rather than commenting on what existed, and to bring in the teaching profession and others to collaborate in this process.

The trend was influenced in some cases by a change in the statutory framework — for example the 1969 Planning Act, under which the Secretary of State's approval was required only to structure plans — or by changed administrative arrangements, as in the case of housing, roads, educational building.

One group whose role did not change was the solicitors. What did greatly increase was the number of GB or UK departments operating in Scotland and other bodies for whom they acted and, in consequence, the range of subjects over which they exercised their traditional roles. From 1974 the Solicitor who headed the group was one of two professionals holding the rank of Deputy Secretary — the other one being the Chief Medical Officer.

The role of the doctors and other health care professionals in servicing the consultative machinery of the reorganised health service has already been mentioned.

Where a substantial number in one profession or related professions were employed, they tended to be grouped in one department or in Central Services, giving service to other departments. When SDD was formed in 1962 most of the building professionals were brought into it, and provided services to SHHD and SED. DAFS continued to have their own staff of surveyors and engineers until 1972 when DAFS and SDD engineers were amalgamated to form one division within SDD with the responsibility of advising the two departments on all civil engineering matters other than roads. In 1978 a building

directorate was formed in SDD comprising architects, surveyors, and mechanical and electrical engineers. Similarly, advice on health care was obtained from SHHD, and on social work from SED, at the many points where these two services were inter-related.

The Fulton Report on the Civil Service, 1968, recommended that professional staff should have a greater role in management and should in some cases be employed in administrative divisions within the line management. This happened to a limited extent in the Scottish Office. Within SDD the head of the building standards division reported to the Chief Architect and the urban renewal unit to the Chief Planning Officer. The engineering division, headed by a professional, in addition to advising all departments took over in 1974 the administrative management of the water and sewerage programme, which included consent to capital expenditure and the approval of some projects for specific grant. Coast protection and flood prevention were added in 1977. In SHHD the Chief Scientist Office, Planning Unit and Hospital Advisory Service were headed by doctors.

In DAFS there were several large groups of professional staff, many of them out-stationed in offices throughout Scotland. This was a natural consequence of the department's close and direct contact with its client industries. The largest group was the agricultural staff, comprising surveyors, land officers and "inspectors": the last being a somewhat misnamed group of officers whose duties ranged from crop certification to the assessment of farms for capital grants. Some administrative functions were assigned to these professional staff.

The professionals did not appear on the whole to regret the fact that Fulton had not been applied more widely. They appeared to value highly the independence of their professional advice, which did not derogate from their close involvement in policy formation; and they were concerned to organise themselves in ways which facilitated their links with administrative staff.

15. *Fringe Bodies*

Like other government departments, the Scottish Office was far from being a self-contained structure. A large number of bodies — over sixty at the last count — related to it in ways too numerous to mention and too diverse to summarise. The

somewhat inadequate title "fringe bodies", officially applied to them, reflects the difficulty of describing them collectively. They included for example the fifteen health boards (replacing over 100 pre-1974 bodies) wholly financed from the NHS Vote and administering services for which the Secretary of State was responsible in detail to Parliament; the two electricity boards and the Scottish Transport Group, administering nationalised industries subject only to limited Ministerial control; the New Town Development Corporations; research associations; boards and commissions connected with agriculture and industry and with environment. Not included in the count were the numerous purely advisory committees and bodies representing consumer interests or professions which were regularly consulted.

The tendency — with the notable exception of NHS bodies — was towards an increase in number. In some instances departmental functions were transferred to Boards — for example, the Scottish Certificate of Education from SED to the SCE Examination Board; but more usually the bodies were given new functions. Towards the end of the period there was criticism, particularly directed to the extensive patronage represented by the Secretary of State's appointment to these bodies and to the feeling that they exercised some measure of power without accountability. This latter feeling was reflected in the acronym "QUANGOS" (quasi-autonomous non-government organisations).

An analogous though smaller scale development took place in the nineteenth century, and for similar reasons: a rapid expansion in the range of matters in which it was felt that some public control should be exercised. The reorganisation of offices in 1939 was the last of several stages in an attempt to tidy up the situation for Scotland by bringing more Government activities under the Secretary of State's direct control, exercised through career civil servants. The last of the nineteenth-century boards and commissions, the General Board of Control for Scotland, survived this reorganisation because of the respect felt for its quasi-judicial functions in relation to mental patients. It soldiered on till 1962, when the management of the State Hospital at Carstairs passed to the Secretary of State and the Board's quasi-judicial functions were vested in a new body, the Mental Welfare Commission.

By this time the functions of government had once more

proliferated, and any future tidy-up would have to be on a scale too daunting to contemplate. Indeed, a tidy-up which involved bringing all these matters within the direct control of Government and civil servants would no longer have been in line with public opinion; delegation to elected bodies was more the type of solution that was being suggested. Meanwhile the problem of co-ordinating all these bodies — in relation to appointments, scales of pay where applicable, etc — was formidable, and was not completely solved.

16. Structure of The Scottish Office

Till 1939 there were various boards and departments and a Scottish Office, reporting direct to the Secretary of State, which had its own functions and also acted as his link with the other bodies. From 1939 there were four departments whose heads (called Secretaries, but holding the Civil Service rank of Deputy Secretary) reported direct to Ministers. The SHD looked after some common services. The Permanent Under-Secretary of State had a somewhat shadowy role, co-ordinating the departments and commenting if he thought fit on their submissions to Ministers, but with no direct power to give them instructions. He advised the Secretary of State on his functions as "Scotland's Minister", but a major part of this function soon fell to SHD — as described in section 1.

From time to time there were transfers of work from one department to another. These are detailed in Appendix 4. The main changes were in 1962, when SHD/DHS became SHHD/SDD; in 1968 when the Social Work Services Group was set up and (probably for reasons of size) attached to SED; and in 1973 when SEPD was set up.

In early years the departments were somewhat isolated and self-contained. Interchange of staff, starting at senior levels, helped to remedy this.

As the work became more complex there was need for more common services, which had to be attached for management purposes to one or other department. In 1966 the four departments combined their training units to form the Scottish Office Training Unit which was attached to SED. The DAFS library was made available to all departments and was expanded to cover their interests. So also was the computer service, set up by DAFS to deal with subsidies; from the middle 60s there

was a move to computerise all clerical work, including statistical work, and by 1979 the Scottish Office Computer Service with 400 staff was carrying out over 150 different tasks for the Scottish Office and some other departments. From 1962 an architectural and building service was provided by SDD. The Scottish Information Office was attached to SHD. So also was the Solicitor's Office, formed in 1946 to provide a solicitor service for the four departments and HM Treasury in Scotland, together with legal advisory work for DAS and DHS. From 1963 it provided almost a full range of legal services to all Scottish Office departments, as well as being solicitor, or solicitor and legal adviser, to numerous other Great Britain or UK departments and bodies functioning in Scotland.

Meanwhile the Permanent Under-Secretary of State was emerging from the penumbra. The setting up of the Regional Development Division in 1964, reporting direct to him (see section 1) was partly a response to the situation but it also met the wishes of the Under-Secretary of the time for some more definite task. And the co-ordinating task itself was becoming more onerous, starting with the Plowden Report of 1961 which recommended a system of financial forward estimates by programme. By the late 1960s the public expenditure survey system was in full operation. Forward estimates over a rolling five-year period were submitted for discussion in Cabinet. The Secretary of State was being presented by his departments with several programmes, whose English equivalents — each presented by a different Minister — could well be in competition with each other; so clearly some co-ordination was required, and this fell to the Permanent Under-Secretary. Then in 1968 came the Fulton Report with its emphasis on personnel management and organisation — and the Secretary of State had four departments, each with different management policies and office procedures. It was a timely coincidence, perhaps, that the next Permanent Under-Secretary had a special interest in management; but the build up of Central Services to meet these needs had already begun to take place.

In 1970 an under-secretary for finance was appointed, reporting both to the Permanent Under-Secretary and to heads of departments on financial planning. By 1972 he headed a finance division, taking over all functions from the previous departmental divisions. From 1970 to 1972 a common establish-

ments division was built up, and was then divided into two — management and organisation, and personnel — each operating on a functional as distinct from departmental basis. A common payroll and common seniority lists for all staff had been introduced in 1971. The various common services, and RDD, became attached to Central Services as detailed in Appendix 4. In 1972 the departmental votes were combined in a Scottish Office Vote for which the Permanent Under-Secretary was the accounting officer. This vote covered the staffing and related expenditure of the departments; the services which they operated — e.g. NHS, assistance to agriculture — were carried on separate votes for which the department heads were accountable. In 1973 the informal meetings, which the Permanent Under-Secretary had held every week for many years with heads of departments, were formalised as a management group with a permanent support staff. Co-ordinating units were set up from time to time to deal with specific problems, for example the urban policy group and the group on local authority statutory planning.

In 1975 a deputy secretary was placed at the head of Central Services. This was partly to meet the growing pressure of work on legislative devolution. The deputy secretary was also given responsibility for local authority finance and was made accounting officer for Rate Support Grant. These finance responsibilities — hitherto exercised by SDD — had assumed growing importance with the increased proportion of local authority expenditure met by central government support; with the interest aroused by the Layfield Committee on local authority finance (which reported in 1976); and with the current constraints on public expenditure. There was also, on local government reorganisation, a better basis for negotiation with the authorities collectively. An additional under-secretary for local authority finance was appointed in 1976.

Thus from the simple concept of 1939 — four departments with a one-man co-ordinator and a few common services — there had emerged a federal organisation unique among government departments. The whole complex, with its 8,000 staff, was not large by comparison with some Whitehall departments which had a much simpler pyramidal structure; and it might have seemed a tidier solution to create such a structure, with the Permanent Under-Secretary at its keystone. Whether this was ever seriously contemplated we do not know, but in any case

the federal structure — even if it just grew — was in many ways well suited to the unique diversity of the Scottish Office functions. All staff were assigned to the Scottish Office and had extended chances of experience and promotion, which was helpful not only to the staff themselves but in the process of co-ordination and exchange of views between departments; while at the same time the customers were still dealing with individual departments, to which their functions gave a distinct character. But the key issue was accountability: did this create problems, with the Permanent Under-Secretary accountable for staff, while the department heads were accountable for the services on which the staff were engaged? If it did, they appear to have been resolved through the management group which co-ordinated staff policies and expenditure programmes. In a pyramidal structure there could still have been more than one accounting officer, but seven, in a relatively small department, would have made the structure somewhat unreal; while the alternative — that a smaller number of officers should each account for two or more widely diverse programmes — would hardly have made for convincing reports to the Public Accounts Committee. The point should also be made that the federal structure stopped at official level: the Secretary of State, although delegating much of his work to his team of Ministers, had the final Ministerial responsibility.

Note — Two appendices to this chapter are included in the Reference Section at the end of the book:—

Appendix 4: Scottish Office — Transfer of Functions 1954-1979.

Appendix 5: Scottish Office — Summary of Responsibilities in 1979.