

Attendees

Dame Susan Rice – Chair
Professor Alasdair Smith – Commissioner
Professor Francis Breedon - Commissioner
Professor David Ulph - Commissioner

John Ireland - Chief Executive
Claire Murdoch, Head of Devolved Taxes and Social Security
David Stone, Head of Economy, Income Tax and VAT
Susie Warden – Head of Strategy, Governance and Corporate Services
James H White – Head of Governance

1. Welcome and Introduction

Dame Susan Rice welcomed all to the meeting, noting that there were no apologies, nor any declarations of interest in relation to agenda items. The minutes of the meeting on 10 June were agreed as an accurate record. The action log was noted, in particular that Commissioners had commented on the Code of Conduct which was now agreed. It was also noted that a full time Business and Finance Manager was in post.

2. Chair's Update

Dame Susan Rice reported that she had been interviewed by Douglas Fraser (BBC Scotland) and for which received positive feedback had been received indicating that it had improved understanding of the Commission's work.

3. Chief Executive's Update

John Ireland invited the Governance Board to note the paper, highlighting work on the Commission's website, which was intended to modernise it, making it more user friendly and flexible for both visitors to the site and Commission staff in updating it. The update paper was noted.

4. Escalation of Reputation Risk

Susie Warden highlighted the key points from the risk escalation paper. At its regular review of the risk cards, Senior Management Team had felt that the reputation risk should be escalated to the Governance Board for review. This was as a result of the Reputation score card being updated in light of the change of Prime Minister and the increased risks about the UK leaving the EU without a deal and potential changes to income tax policy at UK level.

In discussion, it was felt by Commissioners that the political and economic situation was febrile and the Commission was more vulnerable to attack (whether justified or not) which could affect its reputation. The key issue being not reputation in itself, but the impact on the ability of the Commission to do its work, a major mitigating factor

being the level of transparency in which the Commission operates and which should be promoted further.

Senior Management Team would continue to monitor this risk. Governance Board noted the update and confirmed the proposed mitigation action.

5. Corporate Policies

Meeting our Equality and Diversity Requirements – Susie Warden highlighted that the Specific Duty Reporting requirements do not yet apply to the Scottish Fiscal Commission. It was intended, however, to report on the Gender Pay Gap within the Annual Report as part of the preparation for when the reporting requirements become mandatory. Governance Board confirmed that it was content with that approach and with the overall paper.

There was a discussion about what 50:50 by 2020 means, noting current terms of appointment extend beyond 2020. It was confirmed that monitoring would be put in place by Scottish Government on progress toward 50:50. In the meantime, consideration would need to be given to succession planning for the Chair. In achieving a balanced workforce, it was noted that culture, recruitment practice (ie naming female contacts) and attendance at events by a cross section of the Commission had all helped to increase the recruitment of female employees.

Travel Policy – it was confirmed that the policy took the form of guidance to encourage the use of more environmentally friendly modes of travel, recognising that there were circumstances when that may not be possible. There was a discussion about the no travel option, in particular use of IT solutions to promote video and teleconference options, noting that ongoing improvements to the SCOTS network would make this a more viable option. The refurbishment of Governor's House would also provide an opportunity to improve the capacity of the Board Room to support video and tele conferencing. Governance Board confirmed that it was content with the travel policy.

Health and Safety Policy – the paper was noted and policy agreed, however, Governance Board asked that more prominence be given to mental health issues.

Action Point 1 – Health and Safety policy was agreed subject to it being revised to make mental health issues more prominent.

5. Statutory Reporting

The Public Service Reform (Scotland) Act 2010 report for the year ending 31 March 2018 and 2019 would be dealt with in correspondence. The text for the section on sustainable economic growth needed to be revised to reflect that as a non-ministerial office, the Commission is independent of the Scottish Government.

Action Point 2 - The Public Service Reform (Scotland) Act 2010 report for the year ending 31 March 2018 and 2019 would be revised to amend the text relating to sustainable economic growth and shared with Commissioners for review and approval.

6. Finance - Multi-year Spending Ask

John Ireland gave an overview of the paper. As a result of making more use of experienced B3s to replace C1 staff who had left there had been cost saving. In relation to the current workload, it was felt that the Commission was in a steady state in terms of overall staff numbers and grading.

In relation to Commissioner's' fees, it was noted that there had been no increase to the daily rate since before the Commission became a statutory body. It was also noted that the role and responsibilities had changed since the Commission first started and that there was now a much wider remit. It was also felt that a long term remuneration freeze may be detrimental to the recruitment of new Commissioners at and that it would be better if the level of fees were to be reviewed regularly.

It was agreed that the paper would be finalised (taking into account minor corrections) based on a flat base for Commissioner's fees, but making clear that a formal review would be instigated and which would feed into the next year's budgeting process. The updated paper would be shared with Commissioner's for approval before submission to Scottish Government, noting it needs to be submitted by early September.

Governance Board noted the paper and instructed John Ireland to instigate the Commissioner fee review process.

Action Point 3 – John Ireland would instigate a formal review of the Commissioner's fees taking into account the changed role and remit since the Commission first started.

Action Point 4 – John Ireland to finalise the paper and share with Governance Board for approval before submission to Scottish Government by early September 2019.

7. Work Plan, Events and Publications

Work is progressing on development of the new model. It was confirmed that there would be parallel running of the new model with the existing model before moving completely to the new model. However, that may not be possible for the December forecasting round.

In relation to event it might be helpful for Commissioners or Commission staff to attend Bank of England agent events, to hear from business directly. Dame Susan Rice would ask Will Dowson at the Bank of England to see if that would be possible.

Action Point 5 - Dame Susan Rice would ask Will Dowson at the Bank of England to see Commissioners or Commission staff could attend Bank of England agent events.

8. OECD Review – Process

It was reported that the OECD would be meeting with stakeholders in London this week and that the draft report would be shared with the Commission for fact checking in September. A three week period would be given which would give time to resolve any issues and for relevant sections to be shared with Scottish Government officials and others as required. There was no information about the technical review; Claire Murdoch would investigate how this was progressing and advise the Governance Board accordingly.

It was understood that OECD was aiming to publish the report in the second half of October. The intention was to use the outcome of the OECD report to inform development of the next Corporate Plan for 2020-2023 which would be more in-depth than the Commission's first Corporate Plan.

Action Point 6 – Claire Murdoch would investigate how the OECD technical review was progressing and advise the Governance Board accordingly.

9. Any other business and Date of Next Meeting

There was no other business and the date of the next meeting of the Governance Board was scheduled for Tuesday, 10 September 2019.

Scottish Fiscal Commission
20 August 2019