

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 Social Security and Public Funding
David Stone - Head of Economy and Tax
James H White - Governance Manager, secretariat

Apologies

Susie Warden - Head of Strategy, Governance and Corporate Services

1. Welcome and Introduction

Dame Susan Rice opened the meeting. There were no declarations of interests nor notification of any other business, and apologies were noted as above. The minutes of the meeting held on 17 February 2021 were agreed as an accurate record and the action log was noted, with actions on the second point still being taken forward.

2. Chair's Update

Dame Susan Rice reported that she, John Ireland and Claire Murdoch had given evidence to the Committee for Finance of the Northern Ireland Assembly to support their work on establishing a Fiscal Council.

3. Chief Executive's Update

In addition to the written report, John Ireland reported that work was ongoing with colleagues in Scottish Government about planning for the recruitment of a new chair and Commissioner, though the timetable had not yet been agreed.

Senior Management Team was continuing to engage with staff about a return to Governor's House taking into account the requirements of COVID-19.

As a result of the last staff survey in 2020, Reward had delivered management training to all staff in March which had been received positively. David Stone was consulting with staff about their future training needs, and preferred delivery method.

Senior Management Team was also taking forward work on diversity including looking at both the racial and gender diversity of Commissioners and staff, recognising that this would require changes in the way that opportunities would be advertised as well as to recruitment processes.

John Ireland also mentioned that despite having had a presence in Governor's House since 2016, a Memorandum of Terms of Occupation had recently been signed for the period 2019-2022. Work had started on arranging the extension of the agreement post March 2022. The Governance Manager explained how the accommodation charge was calculated (based on the capital charge for the building (which is revalued every five years) and non-domestic rates.

4. Audit and Risk Committee

Annual Assurance to the Governance Board

David Ulph reported to the Governance Board that the Audit and Risk Committee was content that there was a good understanding of the risks faced by the Commission, and that the risk scoring and mitigating actions were appropriate. Gillian Carty commented that in her view, as external member of the Committee risk was being managed dynamically by the Commission's Senior Management Team.

The Committee had received updates from both Internal Audit and Audit Scotland about their plans for carrying out their audits this year and were satisfied with these plans.

The Governance Board noted the assurance given to it by the Audit and Risk Committee. It then considered the two risks that had been escalated to it: staffing, and independence.

Staffing – David Ulph commented that a number of staff had indicated in the last staff survey their intention to move from the Commission. Recently a C1 had left and a B2 was about to leave, though both were going for good reasons and had secured promotion. A number of good applications had been received for the C1 post which was another positive, indicating that the Commission was seen as a good place to work. However, it was recognised that although overall turnover had been low, it might have a disproportionate effect given the size of the Commission, and the impact on future capacity which would need to be managed. It was noted that this balanced by the number of staff who had been through a number of forecasting rounds.

It was recognised that longer term hybrid working would bring its own challenges, these would not be unique to the Commission.

Independence – the key concern discussed by the Committee was how the Commission could ensure its neutrality when the political landscape was likely to become more challenging. The Committee felt on balance that the score of a likelihood of 4 and impact of 4 was a fair assessment.

Governance Board noted these risks and the actions being taken to mitigate for them, recognising that the Senior Management Team would continue to monitor and take additional action where appropriate.

Corporate Policies and Documents

David Ulph reported that the following corporate documents and policies had been reviewed by the Audit and Risk Committee, which the Governance Board was invited to agree. Governance Board confirmed that it was content to approve these.

- Audit and Risk Committee Self-assessment checklist
- Internal Control Checklist
- Business Continuity Plan
- COVID-19 Business Continuity Plan
- Lone Working Q&A Guidance

5. Finance

The Finance update paper was noted without comment.

John Ireland reported that the projections paper anticipated an underspend of around £55,000. There were a number of factors which could change that including, the level of staff turnover during the year, potential cover for maternity or paternity leave (though, the potential impact on this financial year would reduce from around July/August onwards) and the accruals for annual and flexi leave calculated as at the end of the financial year.

Planning was being taken forward on upgrading a B2 post to B3 and recruiting an additional B3 from September 2021, as well as an additional Fixed Term Appointment B2. In addition work was ongoing identifying the resourcing needed for the Commission to take on fiscal sustainability work.

6. Corporate Policies and Statutory Reporting

Records Management Plan - National Records for Scotland have provided an interim report. The report had not flagged anything as red. A number of issues were assessed as green with the remaining flagged as amber, which required further clarification or work. The Governance Manager would work through these and respond to the National Records of Scotland by 30 June.

Standing Orders – These had been revised to include a specific reference to requests made under the Freedom of Information (Scotland) Act 2002 (or less likely for the Commission under the Environmental Information Regulations). The changes make clear that draft replies will be cleared by the Commission's Chair, unless it was about an operational matter when the reply would be cleared by the Chief Executive.

Gender Representation on Public Boards Report for April 2019-March 2021 – it was confirmed that, with the agreement of the Commission's liaison team in Scottish Government, this report includes information which Scottish Ministers were required to publish. The Governance Manager noted that there was a small correction required; the statutory guidance requires that the number of application per recruitment round should be given together with the percentage of applications from women. The next report for this would cover the period 2021-2023.

Governance Board confirmed that it was content to approve the report as corrected, and for it to be published on the Commission's website.

Code of Conduct – the Governance Board was invited to approve the Code of Conduct. No substantive changes had been made since it was last reviewed. It was understood that there had been a consultation exercise about the model code (on which the Commission's code was based), however, that had not yet been changed. The Governance Manager would monitor this and make any changes to the Commission's Code of Conduct if any were required and bring it back to a future Governance Board.

Information Security and Security Breach Management – Governance Board was invited to approve these policies. Commissioners were reminded that where personal devices were used, they were subject to Freedom of Information disclosure as well as information held on SCOTS equipment. There have been no security

breaches since the policies were last reviewed, nor were there any substantive changes to the policies.

Business Plan 2021-22 and Corporate Plan – The Business Plan for 2021-22 had been finalised and published at the end of March on the Commission’s website.

Planning was ongoing for the Corporate Plan 2021-2024 to be published in September 2021.

Action Point 1 – The Governance Manager would correct the minor mistake in the Gender Representation on Public Boards Report for April 2019-March 2021 and arrange for it to be published on the Commission’s website.

7. Any other business

There was no other items of business.

8. Date of Next Meeting

The next meeting was scheduled for Wednesday, 22 September 2021.

Scottish Fiscal Commission
25 May 2021