

Attendees

Professor Graeme Roy - Chair
Professor Francis Breedon - Commissioner
Professor David Ulph - Commissioner
Dr Domenico Lombardi - Commissioner
John Ireland - Chief Executive
Susie Warden - Head of Strategy, Governance and Corporate Services
James H White - Governance Manager, secretariat

Apologies

Claire Murdoch - Head of Fiscal Sustainability and Public Funding
David Stone - Head of Economy and Income Tax
Michael Davidson - Head of Devolved Taxes and Social Security

1. Welcome and Introduction

Graeme Roy opened the meeting. Apologies as given above were noted. There were no declarations of interests or notification of any other business.

The minutes of the meeting held on 11 October 2023 were agreed as an accurate record, and the action log was noted.

2. Chair's Update

Graeme Roy noted we were in the midst of the next forecast round and that good progress was being made. He asked for the Commissioners thanks to be passed to the staff for the quality of their work.

It was reported that it had been a busy period with round table appearances at the Finance and Public Administration Committee, and the Health, Social Care and Sport Committee and a number of presentations being given including the Convention of Scottish Local Authorities annual conference and the Scottish Leaders' Forum annual conference. The chair had also participated in a UK Government Devolution Learning Week event, alongside the current Chairs of the OBR and the Northern Ireland Fiscal Council, which looked at the roles of the Independent Fiscal Institutions in the UK. He had also delivered training events for the Scottish Parliament and Economic Development Association Scotland. It was also noted that John Ireland and Claire Murdoch had attended the Inter Parliamentary Financial Information Network on 16 November 2023 hosted by the OECD in Paris.

Graeme Roy's annual review meeting had taken place with DG Scottish Exchequer, who affirmed her thanks and appreciation for the work of the Commission. He noted that the second term of appointment for two Commissioners would come to an end in October 2025 and that work on appointing new Commissioners would need to be started in 2024.

Having been cleared by the Auditor General for Scotland on 7 November, the Annual Report and Accounts for 2022-23 were laid in Parliament and published on the Commission's website on 8 November.

3. Chief Executive's Update

John Ireland's update paper provided an update on Commission activity since the previous Governance Board, staffing, the ongoing staff survey, and the forthcoming stakeholder survey. It was noted without comment.

4. Audit and Risk Committee

David Ulph's paper about the Audit and Risk Committee meeting on 22 October 2022 had been shared. He reflected that the Committee was benefiting from the two external members who were engaging positively and bringing valuable experience from other organisations. John Ireland reported that the risk cards and spreadsheet quality assurance controls had been identified and shared as examples of good practice to other organisations by one of the external members and Scottish Government Directorate for Internal Audit and Assurance.

Domenico Lombardi reflected that the risk cards were very helpful and focussed, facilitating a good discussion about risk at the Audit and Risk Committee.

Governance Board noted the paper.

5. Finance

Susie Warden confirmed that there were no significant changes since paper was considered by the Audit and Risk Committee on 22 November 2023. It was clarified that the 2024-25 budget would be formally confirmed on 19 December 2023 with publication of the Scottish Budget.

Following the recommendation in Deloitte LLP's audit report for 2022-23, it was reported a draft 5-10 year Financial Strategy was currently being considered by the Senior Management Team. This would be shared with Commissioners in due course.

Action Point 1 – the draft 5-10 year Financial Strategy, currently being considered by the Senior Management Team, would be brought to the Governance Board for approval in due course.

6. Engagement Plan

John Ireland reported the engagement log was almost finalised. This would be shared with Commissioners along with the presentation given by him at the Inter Parliamentary Financial Information Network meeting on 16 November 2023. It was reported that after the Finance and Public Administration Committee has taken evidence on the forthcoming SEFF, in the same session it would also look at the Commission's corporate and governance processes.

Action Point 2 – The finalised engagement log would be shared with Commissioners along with the presentation given by John Ireland at the Inter Parliamentary Financial Information Network meeting on 16 November 2023.

7. Statutory Review

The draft terms of reference for the review, incorporating comments from Commissioners, had been agreed with the OECD and had been circulated to the Scottish Government and the Finance and Public Administration and Social Justice and Social Security Committees for their comments. It was confirmed that work was ongoing with the stakeholder survey for its launch in January 2024. This survey would be used to inform the statutory review.

8. Succession Planning

Graeme Roy noted that the Commission was not meeting its statutory requirement to have a gender balanced Board. It was noted that the Finance and Public Administration Committee would be likely to ask about steps to ensure gender balance during its forthcoming scrutiny of the Commission's governance. Succession planning was a longer term piece of work and that some progress had been made with internal discussions on re-shaping roles. It was noted that recent changes in which Commissioner time is used, and how they work with staff, to streamline processes may have a positive impact on future Commissioner recruitment.

9. Corporate Policies and Statutory Reporting

Public Services Reform (Scotland) Act 2010 – Report for the Year Ending 31 March 2023 – the Governance Board confirmed approval of the draft report, which would be published on the Commission's website.

Register of interests – the Governance Manager confirmed that the register of interests had been updated following the recent Audit and Risk Committee meeting on 22 November and had been published on the Commission's website. It was confirmed that no further updates were required to the register.

Travel Policy – the Governance Manager highlighted that the main changes were to provide additional information on the use by staff of private vehicles and the required training and declaration, and on how Commissioners claim travel expenses. Governance Board confirmed it was content to approve the reviewed policy, which would be published on the Commission's website.

Health and Safety Policy – the updated policy was approved by Governance Board.

Complaints Policy- the Governance Manager confirmed that the information about the Scottish Public Service Ombudsman had been updated, and that the policy included the Commissioners, with a cross reference to the Code of Conduct. Governance Board confirmed it was content to approve the reviewed policy, which would be published on the Commission's website.

Graeme Roy asked about Freedom of Information implications for Commissioners. John Ireland clarified that Commission staff have responsibility for ensuring that the appropriate official record is kept and for filing relevant documents and papers to the electronic filing system, eRDM, rather than Commissioners. He clarified that Commissioners should not retain papers for longer than required.

Action Point 3 – the following would be published on the Commission's website:

- **Public Services Reform (Scotland) Act 2010 – Report for the Year Ending 31 March 2023**
- **Travel Policy**
- **Complaints Policy.**

9. Any other business

There were no other items of business.

10. Date of Next Meeting

The next Governance Board meeting is scheduled for Wednesday, 28 February 2024.

Scottish Fiscal Commission
28 November 2023