
**Public Services Reform (Scotland) Act 2010
Report for the year ended 31 March 2020**

© Crown copyright 2020

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit: <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.fiscalcommission.scot

Any enquiries regarding this publication should be sent to us at: Scottish Fiscal Commission, Governor's House, Regent Road, Edinburgh EH1 3DE or info@fiscalcommission.scot

ISBN: 978-1-911637-25-7

Published by the Scottish Fiscal Commission, November 2020

Contents

1. Introduction	2
2. Expenditure Information	3
Public Relations.....	3
Overseas Travel	3
Hospitality and Entertainment.....	3
External Consultancy.....	3
Payments in excess of £25,000	3
3. Remuneration	4
4. Steps to Promote Sustainable Economic Growth	4
5. Steps to Improve Efficiency, Effectiveness and Economy	6

1. Introduction

- 1 This document details the information Scottish Fiscal Commission is required to publish as prescribed in the Public Services Reform (Scotland) Act 2010. It has been compiled with reference to the guidance issued by Scottish Government, and all amounts shown include VAT, where applicable.
- 2 Further information on the work of Scottish Fiscal Commission can be found on its website , in particular in the following documents:
 - Corporate Plan 2018-2020¹
 - Business Plan 2019-20²
 - Annual Report and Accounts for the year ended 31 March 2020³
- 3 Should you require further information in relation to the activities or operations of the Scottish Fiscal Commission, please contact the Commission at:

Scottish Fiscal Commission
Governor's House
Regent Road
Edinburgh
EH1 3DE

0131 244 6388

info@fiscalcommission.scot

¹ Corporate Plan 2018-20 ([link](#))

² Business Plan 2019-20 ([link](#))

³ Annual Report and Accounts for the year ended 31 March 2020 ([link](#))

2. Expenditure Information

Public Relations

- 4 This amount includes: stakeholder engagement events, printing and binding a limited number of our reports in-house, and the costs of the Commission's in-house Communications Manager.

Amount for 2019-20: £61,392 (2018-19 £53,972)

Overseas Travel

- 5 In 2019-20 no expenses on overseas travel were incurred (2018-19 £6,295).

Hospitality and Entertainment

- 6 These costs relate to refreshments and catering at meetings with stakeholders.

Amount for 2019-20: £1,051 (2018-19 £1,062)

External Consultancy

- 7 In 2019-20 Commission contracted Form Design Consultants to develop plans for renovation of our workplace, and submit the necessary application for building warrants and listed building consent.

Amount for 2019-20: £12,186 (2018-19 £0)

Payments in excess of £25,000

- 8 In 2019-20, the Commission made two payments which falls within the reporting definition (this does not include remuneration paid to Commissioners or Commission staff). These were:

- £85,984 to the Organisation for Economic Cooperation and Development for the Commission's first statutory review (2018-19 £0).⁴
- £122,165 (2018-19 £67,283 was paid over four payments) to the Scottish Government for the Memorandum of Terms of Occupation for Governor's House which included non-domestic rates and maintenance/service charges. Since the end of January 2019, when the Scottish Human Rights Commission moved to a new location, Scottish Fiscal Commission has had sole occupancy of Governor's House and has been charged accordingly from 1 April 2019.

- 9 In addition, for transparency we report the following payments:

Non-cash payments:

Audit Scotland - £27,720 (2019-20 £29,800) for the cost of auditing the Commission.

⁴ OECD Review of the Scottish Fiscal Commission ([link](#))

3. Remuneration

- 10 Scottish Fiscal Commission had no staff members who received remuneration in excess of £150,000 during 2019-20 (2018-19 no staff received remuneration in excess of £150,000).
- 11 No member of Scottish Fiscal Commission staff received a bonus or other discretionary performance related payment in 2019-20 (2018-19 no staff received a bonus or performance related payment).

4. Steps to Promote Sustainable Economic Growth

- 12 The Scottish Fiscal Commission is the independent fiscal institution for Scotland. We produce the official fiscal and economic forecasts used in the Scottish Budget and assess the reasonableness of the Government's borrowing projections.
- 13 Healthy, sustainable public finances directly support sustainable growth in a number of ways including:
 - impact on the economy
 - ability to fund public services
 - ability to invest in public infrastructure
- 14 The accuracy of the Commission's forecasts is directly linked to Scotland's public finances through the operation of the fiscal framework. So by producing high quality, credible reports we play our part in making sure Scotland has healthy and sustainable public finances.
- 15 To ensure high quality forecasts, each year we publish a detailed forecast evaluation report comparing our forecasts to published outturn data to help others to scrutinise our work and to identify how we can improve.
- 16 To be credible, our work must be free from political influence. Our statutory basis and the way we operate both safeguard our independence. We are a non-Ministerial Office, not part of the Scottish Government. This means the Commission is directly accountable to the Scottish Parliament for the delivery of our functions. The Commission has full discretion in how we deliver our statutory functions: we make our own forecast judgements, choose our own methods and decide the content of our analytical publications and work plan.
- 17 The other mechanisms by which the Commission's work supports sustainable growth is by working to improve the range and quality of Scottish economic data that are published, and by improving transparency in Scottish public finances and scrutiny of them. Better data help us to produce more accurate forecasts and can give businesses and government better evidence for decision making. By adding to fiscal transparency we assist good governance that in turn supports economic growth.
- 18 The Scottish Fiscal Commission is part of the Devolved Taxes Legislative Working Group set up by the Scottish Government and Scottish Parliament to consider if and how the legislative process could be adjusted to streamline tax changes.
- 19 We attended the annual Inter-Parliamentary Finance Network Event for parliamentary finance teams and independent fiscal institutions from across the UK and Ireland, in October 2019, sharing experiences with officials from the House of Commons, the Scottish Parliament, the Northern Ireland

Assembly the Welsh Assembly, the Irish Parliamentary Budget Office, the Irish Fiscal Advisory Council and the Office for Budget Responsibility.

- 20** The Commission wants to ensure its forecasts are understood and used appropriately. To that end we produced an occasional paper to give details of our approaches to costing Scottish Government policies in September 2019.
- 21** In March 2019 we undertook a limited qualitative survey on stakeholder views on our main forecast publication – Scotland’s Economic and Fiscal Forecasts. The key findings were:
- the report was well received and provides clear information on the forecasts and changes in forecasts
 - infographics and visuals work well
 - the report was too detailed and included repeated information on the methodologies used. The report should focus on what has changed rather than being a stand-alone document.
- 22** Based on this feedback, we have focussed on increasing the strength of the narrative and making the publication more concise and readable, and have provided a shorter, more accessible summary. We added a new Fiscal Overview chapter which provides an overview of the role of the different elements in the fiscal framework, including our forecasts and reconciliations, play in determining the size of the Scottish Budget. This chapter also discusses the Scottish Government’s use of its borrowing powers and the options the Scottish Government has available to manage the Budget.
- 23** Alongside our forecast publications in May 2019 and February 2020, we published accessible summaries, supplementary data spreadsheets and used social media to share summary graphics. We held media briefings on the day after publication to help ensure informed coverage of our work. These briefings included a presentation of the key points in our forecasts from the Chief Executive that was subsequently published on our website.
- 24** In February 2020 we designed a handout providing a high-level overview of our forecasts which was provided to all MSPs ahead of the Stage 1 Parliamentary debate on the Scottish Budget.⁵
- 25** The Commissioners and staff have engaged with the Scottish Parliament’s Finance and Constitution Committee and Social Security Committee during the course of the year. Commissioners gave evidence at the Finance and Constitution Committee and the Social Security Committee after our May and February forecasts, and after publication of our forecast evaluation report in September. All of these appearances are intended to provide further understanding of our publications and our work.
- 26** During the year the Commission organised two public events. We held a joint event with the Organisation for Economic Cooperation and Development in October 2019 to discuss their review of our operations with interested stakeholders. In February 2020 we held a public event to share our Budget forecasts. We also held a well-attended event for Scottish Government staff following our February forecast.
- 27** We have also spoken at several external events, including the international Tax Research Network Conference in September 2019 and the Scotland Policy Social Security Conference in December 2019.

⁵ Scotland’s Forecasts: a quick guide ([link](#))

5. Steps to Improve Efficiency, Effectiveness and Economy

- 28** During 2019-20 staff costs were our highest costs, at over 75% of our operating cost. Having reached our full complement of staff, a regular pattern of turnover has been established, in part as temporary contracts, secondments or rotations ended as anticipated, and in part as individuals moved away to promotions or new opportunities. We have used a flexible mix of permanent, fixed term and agency contracts to meet our staffing needs, and benefited from a strong and diverse pool of candidates applying for our analytical posts.
- 29** In line with the guidance that public bodies should actively explore and implement as appropriate all opportunities for sharing the provision of back office and front line functions, the Scottish Fiscal Commission make use of a range of shared service agreements with the Scottish Government to achieve efficiency and economy. These cover the following areas:
- Human Resources and payroll
 - IT
 - Accommodation
 - Finance and Accountancy, including access to the Scottish Governments Enterprise Accountancy System, ePC card and EASEbuy purchasing and payment system
 - Procurement
 - Legal services
 - Internal Audit
- 30** In relation to procurement, the Commission undertakes limited levels of procurement activity, making use of call off contracts where possible, and using the shared service agreement to access procurement expertise when required.

© Crown copyright 2020

This publication is available at www.fiscalcommission.scot

ISBN: 978-1-911637-25-7

Published by the Scottish Fiscal Commission, October 2020