

Attendees

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

Apologies

Professor Domenico Lombardi - Commissioner
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. The minutes of the meeting held on 27 August, and 25 September 2024 were agreed as an accurate record, and the action log was noted.

2. Chair's Update

Graeme Roy Budget commented that it had been an exceptionally busy and interesting period, in particular towards the end of the recent forecast with late policy announcements. He was impressed at the strength of analysis provided which unpins the judgements being made by Commissioners. He formally thanked John and all of the staff for their hard work in enabling this.

Looking forward to next year, in January a report is to be published on mitigating the impact of the two child limit, in the Spring the next of the Fiscal Sustainability Reports, a May forecast, and a Fiscal Update at some point in August. It would be helpful to set out a publication timetable for 2025. In addition, it was expected that the OECD review report would be published in early 2025, and we would start on Commissioner recruitment building on the work undertaken about addressing diversity, and the skills required from new appointees.

Finally, Graeme Roy commended the Budget Guide Videos which had been taken forward on the initiative of staff as particularly good pieces of work.

Action Point 1 - A publication timetable for 2025 would be produced and shared with Commissioners.

3. Chief Executive's Update

John Ireland commented that the Budget Bill reflected the terms of the Commission's multi-year funding ask as submitted, which included plans to increase staffing by adding a new C1 role to the Fiscal Sustainability and Public Funding team, and two permanent members of staff to the Corporate Service team.

The Finance and Public Administration Committee would be undertaking its annual review of the Commission, which would provide and opportunity to highlight our

response to the OECD review, and the forthcoming Corporate Plan 2025-28, and Business Plan 2025-26.

4. Audit and Risk Committee

David Ulph highlighted the main points from the paper provided. He highlighted the discussion about the use of AI, and how it could be used appropriately whilst ensuring the need to maintain confidentiality of data. He suggested that where particular risks are identified, they should be raised with the Audit and Risk Committee, escalating to Governance Board if required.

It was clarified that the SMT view is that staff should be able to use AI when appropriate, but to be mindful of keeping information confidential. It would monitor how AI was being used.

Governance Board confirmed that it was assured that SMT is managing use of AI and that Audit and Risk Committee, and Governance Board would be alerted should any concerns emerge.

5. Finance

Susie Wardie highlighted the paper projects an increased underspend, taking into account the return of £70,000 to the Consolidated Fund.

In relation to Oracle Cloud a number of public bodies were concerned that the hyper care level of support was due to end in January 2025. Francis Breedon commented that support from internal and external auditors might be helpful. It was anticipated that the system would bed in over time.

As noted earlier, we have been given our full ask for 2025-26. Increased NI employer costs may be partially offset by additional funding from the Government as it passed on compensation from the Treasury. As discussed at previous meetings, planning for a staffing overspend and the use of Fixed Term Appointments helps to better manage the overall spend.

6. Engagement Log

An updated engagement log will be shared for discussion in early 2025 at one of the weekly Commissioner calls.

Action Point 2 - An updated engagement log will be shared for discussion at the weekly Commissioner calls.

7. Succession Planning and Commissioner Appointments

John Ireland confirmed that the plan was to have a fuller discussion early in 2025 about Commissioner appointments at one of the weekly Commissioner calls.

The opportunity would also be taken to discuss the Audit and Risk Committee external members, whose first period of appointment end in May 2025. Options for these include extension, staggered extension, or recruitment new appointees. Graeme Roy noted that the staggering of appointments, where possible, makes sense. Governance Board agreed that the external members are valuable because of their experience of governance and risk rather than fiscal analysis.

8. OECD Review

It was noted that this was due to be published in February, with an appearance at the Finance and Public Administration Committee thereafter. The draft is currently going through its final clearance and approval stages.

9. Corporate Policies and Statutory Reporting

Public Services Reform (Scotland) Act 2010 – report for the year ended 31 March 2024. Governance Board approved the draft report for publication.

Action Point 3 – The Public Services Reform (Scotland) Act 2010 – report for the year ended 31 March 2024 would be published on the Commission’s website by the Governance Manager.

Register of Interests. Governance Board noted and approved the register.

9. Any other business

There were no other items of business.

10. Date of Next Meeting

The next Governance Board meeting is scheduled for Tuesday, 25 February 2025.

Scottish Fiscal Commission
11 December 2024