

**FOI case reference number: 202500488289**

Extract of Fiscal Sustainability Corporate Risk:

Risk ID	Risk Name	Risk Category	Risk Appetite	Controls Confidence	Risk Owner
CRR001	Fiscal Sustainability	Strategic	[Redacted S.29(1)(a)]	[Redacted S.29(1)(a)]	Shona Riach

Risk Description	Current Impact	Current Likelihood	Current Risk Score	Target Impact	Target Likelihood	Target Risk Score	Target Date
IF The Scottish Government fails to ensure the long term sustainability of the public finances by failing to manage public spending within credible expectations of future resources available THEN it may not be possible to deliver some Government commitments or public services in the timeframe expected or to the quality required; there will be greater need for in-year budget management, risking sub-optimal use of resources and a budget breach RESULTING IN compromised delivery of the Scottish Government’s key commitments, deteriorating performance of public services and weaker value for money	[Redacted S.29(1)(a)]	[Redacted S.29(1)(a)]	[Redacted S.29(1)(a)]	[Redacted S.29(1)(a)]	[Redacted S.29(1)(a)]	[Redacted S.29(1)(a)]	[Redacted S.29(1)(a)]

Controls in Place	Actions Planned
<p>1. SG Corporate and Scottish Exchequer Governance for oversight and decision-making.</p> <p>2. Regulations and rules, including fiscal rules and policies such as the Scottish Public Finance Manual sets out Principal Accountable Officer (Perm Sec) and Accountable Officer (DG) accountabilities for the regularity and affordability of spend.</p>	<p>1. Deliver the Medium-Term Financial Strategy (MTFS), setting out SG’s refreshed strategy for ensuring fiscal sustainability and financial forecasts and projections to 2029-30 (June 2025).</p> <p>2. Deliver the Fiscal Sustainability Delivery Plan (FSDP) that sets out a credible path and actions to closing the fiscal gap by 29-30. The measures to be completed in the plan are as follows:</p>

3. Independent forecasts and analysis from the Scottish Fiscal Commission (SFC) and Fiscal Risks and Performance Reporting in place to understand economic and tax performance, upside/downside risk related to revenue and spend, and projected fiscal performance.
4. Fiscal Framework and UK Government relationships – regular engagement on management of the FF and impact of UKG policies on devolved expenditure.
5. FM/CSFLG/Cabinet engagement – oversight and decision-making on Medium-Term Financial Strategy, annual Budget, and related publications such as Infrastructure Investment Plan.
6. Parliamentary/Stakeholder Engagement – regular scrutiny of fiscal events and related publications by Finance and Public Administration Committee, and Audit Scotland.
7. MTFs, FSDP and PSR Strategy - provide framework for future decision-making.

- 2a. Increasing public value - ensuring funding is fully focused on delivering SG priorities through the delivery of the Scottish Spending Review, Annual Budget, and IIP Plan Re-set (Dec 2025).
- 2b. Efficiencies and productivity -improve productivity to secure the same or better outputs for lower cost through delivery of workforce reform [Redacted S.29(1)(a)], the Public Service Reform strategy [Redacted S.29(1)(a)], and NHS Board savings (annual, ongoing).
- 2c. Service reform - deliver reform activity in H&SC [Redacted S.29(1)(a)], Social Security, Justice, and Education (Mar 29).
- 2d. Prevention - invest in the most impactful preventative spend to reduce service demand in the long-term through delivery of Tackling Child Poverty plan [Redacted S.29(1)(a)], Population Health Framework [Redacted S.29(1)(a)], and Ending homelessness together action plan (Mar 29).
- 2e. Increasing aggregate business activity, employment levels, and average wages through delivery of NSET (May 26 for FSDP actions).
- 2f. Improving the operation and performance of the tax system through implementing devolved taxes (Apr 27), reviewing the operation of existing taxes (Apr 26), strengthening approach to tax compliance (Mar 26), and expanding the evidence base (26).
- 2g. Exploring opportunities for future tax reform and devolution of tax powers (26).
3. [Redacted S.29(1)(a)].
4. DGs / Cabinet Secretary Engagement – DGs to clearly communicate fiscal risks associated with policy decisions to ensure clear understanding at Cabinet level, linking in with AO duties and AO assessment / template processes (Ongoing).
5. Produce regular updates of projected medium-term fiscal position to inform fiscal events and identification of upside/downside risks, including Ministerial/Cabinet engagement (dates tbc).
6. Develop robust governance to scrutinise progress of the MTFs, FSDP and SSR, including Scottish Exchequer, corporate governance, and Ministerial/Cabinet engagement (Sep 2025).

**ACCOMPANYING PAPER 2 – SCOTTISH GOVERNMENT EXECUTIVE TEAM  
MINUTES FROM 14 OCTOBER 2025**

[REDACTED – Out of Scope] - Executive Team - 14 October - Action Note

**Please note that these minutes contain sensitive information and must not be shared beyond this copy list without prior consultation with ETSGO**

**Executive Team:** Permanent Secretary (Chair), Roy Brannen, Miriam Craven, Heather Darling (for Jackie McAllister), Lesley Fraser, Gregor Irwin, Shirley Laing (for Neil Rennick), Caroline Lamb, Shona Riach, Mark Richards (until 2.45pm, for Ruairaidh Macniven)

**Also in Attendance:** Linda Bauld (until 2.45pm), Nicky Richards, Non-Executive Directors Belinda Oldfield, Neil Richardson and Jenny Stewart (from 2.45pm)

**Apologies:** Neil Rennick, Ruairaidh Macniven, Jackie McAllister

[REDACTED – Out of Scope]

**3. Risk Update: [Redacted S.38(1)(b)], Head of Risk Management Policy**

Head of Risk Management policy provided an overview of the current Risk profile and highlighted changes including some risks which are due for review.

In discussion ET:

- [Redacted – Out of Scope]

**DECISIONS:**

- [Redacted – Out of Scope]

[REDACTED – Out of Scope]