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**Corporate Board – Minutes**

**Date:** 03 March 2020  
**Time:** 14:00 – 17:00  
**Venue:** Room 4E-01, St Andrew's House



<b>Present:</b>	Leslie Evans (Chair)	Permanent Secretary
	Barbara Allison	Director Communications, Ministerial Support and Facilities
	Liz Ditchburn	DG Economy
	Lesley Fraser	DG Organisational Development and Operations
	Janet Hamblin	Non-Executive Director
	Paul Johnston	DG Education, Communities and Justice
	Ruaraidh Macniven	Solicitor to the Scottish Government
	Hugh McKay	Non-Executive Director
	Linda McKay	Non-Executive Director
	Ken Thomson	DG Constitution and External Affairs
Gordon Wales	Chief Financial Officer	
Malcolm Wright	DG Health and Social Care	
<b>In Attendance:</b>	Jennie Barugh	Director of Performance and Strategic Outcomes
	Kersti Berge	Director, Energy and Climate Change
	Luke Cavanagh	Head, Corporate Analytical Services
	Sarah Hart	Head, Global Climate Emergency Response Unit
	Daniel Hinze	Deputy Director, Fiscal Sustainability
<b>Secretariat:</b>	Julie Humphreys	Board Secretary
	Pamela Beer	Executive Team Support & Governance Office
	Becky Robb	Executive Team Support & Governance Office
	Jo Ward	Executive Team Support & Governance Office
<b>Apologies:</b>	Alyson Stafford	DG Scottish Exchequer
	Annie Gunner Logan	Non-Executive Director
	Ronnie Hinds	Non-Executive Director
	Nicky Richards	Director, People

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**Item 1: Welcome, Introductions, Apologies, Declarations of Interest, Minutes**

1. The Chair welcomed everyone to the first Corporate Board (CB) meeting of 2020. Apologies were noted from Annie Gunner Logan, Ronnie Hinds, Nicky Richards and Alyson Stafford. There were no declarations of interest.
2. The Board agreed the minutes of the CB meeting on 3 December 2019.
3. Gordon Wales, Chief Financial Officer (CFO) provided an update on the Risk Improvement project which had been completed and was moving into the implementation phase. A progress update would be provided to the Board before the next scheduled meeting in June.
4. Lesley Fraser, Director General (DG) Organisational Development and Operations, confirmed that strategic workforce planning would be considered at the next People Board, with an update provided to CB in due course.
5. All other actions were noted as in progress or completed.

**Item 2: Permanent Secretary Overview**

6. The Chair provided an overview of events since the last CB meeting in December, noting that:
  - The Executive Team (ET) has continued to work on the three opportunities for the organisation, including Competent and Ambitious Government; Corporate Transformation and Constitutional Change;
  - At present, priorities included managing the response to COVID-19; the delivery of the Scottish Budget; the transition towards EU Exit and organisational continuity;
  - People Survey results were positive with an increase in engagement levels by 2% since 2018, in line with high performing UK Government Departments;
  - The recent Stonewall index demonstrated the importance of the Scottish Government (SG) reflecting the diversity of the communities of Scotland and a range of priority areas were being taken progressed across the organisation;
  - The SG had accepted the recommendations of the National Advisory Council on Women and Girls and a new Equalities, Human Rights & Inclusion Directorate will be established;
  - SG is leading the way on eradicating period poverty, with £15 million invested to date to support free period products being available to more than 500,000 people in Scotland and
  - The Scottish Investment Bank legislation has been passed unanimously by the Scottish Parliament and is expected to be operational by the end of the year.

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**Item 2a: COVID-19 update**

7. Malcolm Wright, DG Health and Social Care, provided an update on COVID-19 and the range of measures SG was taking to support the anticipated scenarios for the population, economy, public services and the organisation.
8. In discussion the Board noted that:
  - The Scottish Government Resilience Room (SGoRR) has been activated and meetings taking place daily at official level alongside regular Ministerial meetings chaired by the First Minister and Deputy First Minister;
  - Ministers and officials were working closely with colleagues in the UK Government and other devolved administrations to ensure a coordinated approach;
  - Planning was based on a worst-case scenario of the population becoming infected, with associated impacts on NHS services, schools and the economy including workforce absence rates and on those who are most economically and socially vulnerable and
  - Additional resource was being sought within SG to support the response, including pivoting staff identified during the EU Exit mobilisation process as a minimum.
9. The Board agreed:
  - To receive an update by correspondence on Scotland's public services and the economic impact of the emergency, including on the most vulnerable in society.

**Item 3: Climate Change**

10. Liz Ditchburn, DG Economy, provided the Board with an overview of SG's Climate Change ambitions, work underway to deliver these through the Global Climate Emergency Response (GCER) Programme and the opportunities and risks SG would need to manage, including the Climate Change Plan update, the Green New Deal and delivering the UN Climate Change Conference (COP 26) in Glasgow in November 2020.
11. In discussion the Board noted:
  - SG's role as a world leader on Climate Change; the importance of demonstrating progress and actions in the forthcoming Climate Change Plan Update, to be laid in the Scottish Parliament before the end of April;
  - The scale of change required in society and the economy to deliver Scotland's targets; the impacts this will have on citizens, businesses and public services and the role that SG has in supporting this transition;
  - Examples of positive action taking place including cross-Directorate work on decarbonising Police Scotland's vehicle fleet;
  - The focus in the 2020/21 Scottish Budget on carbon reduction and the importance of leveraging new opportunities for green finance;
  - The role that digital public services can play;

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- That supporting the transition to a carbon-free economy was the responsibility of all SG and should be embedded into everything that we do;
- The importance of having the skills in SG to deliver a project of this size;
- The role that SG staff and the SG estate have to play in contributing to the targets, with work underway on a new corporate Climate Change Strategy and
- That SG staff responded positively to changes introduced to support the environment.

## 12. The Board agreed:

- The importance of having a clear narrative, to be developed by the Directorate for Energy & Climate Change (DECC), on the importance of Climate Change, connections to the National Performance Framework (NPF) and inclusive economic growth to demonstrate the value of it to society, businesses and SG staff. This narrative should showcase innovative work already underway;
- DECC should consider how carbon reduction efforts are financed, including through the Spending Review and leveraging wider private sector investment in Green Finance;
- Non-Executive Directors should support cross-cutting work and encourage thinking on Climate Change when undertaking their roles and responsibilities across SG and
- To receive an update by correspondence on Climate Change at the appropriate time and
- To consider the aims, objectives, risks and opportunities for SG on COP26 in correspondence.

**Item 4: Financial Stewardship**

## 13. The CFO provided an overview of the latest financial position.

## 14. In discussion the Board noted that:

- The Scottish Budget Bill had now passed Stage 1 consideration in the Scottish Parliament. Confirmation of Scotland's Block Grant would not be known until the UK Government Budget on 11 March;
- It was important to have sufficient resource to manage the range of concurrent priorities SG was balancing at present, particularly corporate running costs and
- ET will consider the Directorate for Internal Audit & Assurance's forthcoming cross-cutting review on financial decision-making.

## 15. The Board agreed:

- That DGs should continue to seek further opportunities to reduce spending and identify savings where possible, in conjunction with Ministers and in line with their duties as Accountable Officers (AOs) in relation to value for money

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- That DGs should continue to communicate the scale of the budget challenge now and for future years and the importance of robust and accurate financial management to Directors and other budget holders and
- There should be collective consideration of the levels of risk held by each AO to support a shared understanding of SG's risk appetite.

**Item 5: Constitution and Europe**

16. DG Constitution & External Affairs (DG CEA) provided an update on developments since December and work now underway on the next stages which included integrated planning on EU Exit, flexible resourcing of programme priorities and a refresh of the focus and objectives of the Constitution & Europe Programme Board (CEPB).

17. In discussion the Board noted the CEPB's intention to:

- Continue the work currently underway on the integrated EU Exit plan to incorporate and refresh SG's No Deal plan;
- Continue to develop constructive positive with counterparts in other administrations in the UK and beyond, and in the EU institutions;
- Consider the links between planned actions and strategic themes drawn from the National Performance Framework (NPF), with a focus on the wellbeing of Scottish citizens, the response to the climate emergency, and sustainable development and
- Be responsive to the flexible resourcing of priorities.

18. The Board agreed:

- The refreshed objectives, membership and proposed governance for the CEPB, and that DG CEA would remain as the Senior Responsible Owner, accountable for the successful delivery of the Programme Board's work.

**Item 6: Balanced Scorecard****National Performance Framework and SG Delivery**

19. The Director for Performance & Strategic Outcomes updated CB on discussions undertaken following the last Board meeting on how the NPF and associated policy delivery will be reported to CB.

20. In discussion the Board noted:

- The challenges of embedding an outcomes-based approach and the role data can play in supporting that shift;
- The role that the outgoing Auditor-General could play in supporting the reporting of performance and progress and that the Scottish Leaders' Forum was playing in terms of leading change to the whole system (including through its action groups);

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- Ministers would receive an update on Scotland's progress against the indicators in the NPF through the next Wellbeing report;
- That DG Assurance meetings would examine the relevant NPF and policy delivery elements and this would be piloted at the forthcoming DG Scottish Exchequer Assurance meeting and
- That proposed steps were to focus on the further development of the data and how it can be most effectively used within SG's wider governance structure, taking into consideration the roles and responsibilities of AOs, ET, Performance Board, CB and DG Assurance.

## 21. The Board agreed

- That the data should be integrated into our corporate governance system for consideration by ET, recognising that it was continuing to develop and improve;
- The importance of establishing the role of the Performance Board within the corporate governance system and
- That the Directorate for Performance and Strategic Outcomes should engage with the Audit Scotland on the improvements to Performance Reporting.

**Organisational health**

22. The Board was presented with an update on the organisational health of SG, including workforce growth, wellbeing and the People Survey results.

23. In discussion the Board noted:

- That work was underway through People Board on benchmarking of people metrics;
- The risk of optimism bias in relation to the scale and pace of growth with associated impacts for SG Estates planning;
- The role of Budget planning to supporting effective workforce planning;
- The value in incorporating data on vacancy rates;
- The potential for CB to use data to look at cross-cutting issues or themes, including a strategic workforce planning incorporating the above issues;
- That Average Working Days Lost (AWDL) data was being examined across all levels of SG, including at DG People & Finance and Assurance meetings, with support from HR Business Partners which was enabling the sharing of best practice and targeted improvements to be put in place and
- There would be value in DGs and Directors layering absence levels with the relevant People Survey data to further support actions and improvements.

**Next Meeting – Tuesday 2<sup>nd</sup> June 2020**

**ET Support and Governance Office  
March 2020**

**END**