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Finance and Constitution Committee Comataidh Ionmhais is Bun-reachd

Scottish Fiscal Commission – Commissioner Reappointment



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Finance and Constitution Committee

To consider and report on the following (and any additional matter added under Rule 6.1.5A)—

- (a) any report or other document laid before the Parliament by members of the Scottish Government containing proposals for, or budgets of, public revenue or expenditure or proposals for the making of a Scottish rate resolution, taking into account any report or recommendations concerning such documents made to them by any other committee with power to consider such documents or any part of them;
- (b) any report made by a committee setting out proposals concerning public revenue or expenditure;
- (c) Budget Bills; and
- (d) any other matter relating to or affecting the revenue or expenditure of the Scottish Administration or other monies payable into or expenditure payable out of the Scottish Consolidated Fund.
- (e) Constitutional matters falling within the responsibility of the Cabinet Secretary for the Constitution, Europe and External Affairs.



finance.constitution@parliament.scot



0131 348 5215

Committee Membership



Convener
Bruce Crawford
Scottish National Party



Deputy Convener
Murdo Fraser
Scottish Conservative
and Unionist Party



Alasdair Allan
Scottish National Party



Tom Arthur
Scottish National Party



Jackie Baillie
Scottish Labour



Alexander Burnett
Scottish Conservative
and Unionist Party



Patrick Harvie
Scottish Green Party



Dean Lockhart
Scottish Conservative
and Unionist Party



Fulton MacGregor
Scottish National Party



John Mason
Scottish National Party



Anas Sarwar
Scottish Labour

Introduction

1. On 1 February 2021, the Cabinet Secretary for Finance wrote to the Committee asking it to agree to the reappointment of Professor Alasdair Smith as a Commissioner for the Scottish Fiscal Commission (SFC) from 1 April 2021 to 31 March 2022. This letter is attached at the Annexe.

Background

2. The SFC was established by Scottish Ministers in June 2014 as an independent non-statutory commission to scrutinise and report publicly on fiscal forecasts prepared by the Scottish Government.
3. The [SFC Act 2016](#) then placed the SFC on a statutory footing and constituted it as a Non-Ministerial Department within the Scottish Administration on 1 April 2017, with primary accountability to the Scottish Parliament.
4. There are currently four Commissioners: Lady Susan Rice CBE (Chair), Professor Alasdair Smith, Professor Francis Breedon and Professor David Ulph.

Membership, appointments and reappointments

5. The SFC Act provides that there should be between three and five members of the SFC, one of whom should serve as Chair. To ensure that the Commission is appropriately resourced to discharge its expanded remit as the financial provisions of the Scotland Act 2016 are enacted, Ministers determined that the statutory Commission should have four members, including the Chair.
6. Section 15(3) of the SFC Act states that "Scottish Ministers may appoint a person as a member only if the Scottish Parliament has approved the appointment." In addition, appointments to the SFC are public appointments and therefore subject to the [Public Appointments and Public Bodies etc \(Scotland\) Act 2003](#) which means that appointments and reappointments to the SFC are regulated by the Commissioner for Ethical Standards in Public Life in Scotland.
7. Section 17 of the SFC Act provides for the period of appointments to the SFC. The period of appointment is set at the outset and may be any period chosen by Ministers, not exceeding five years. Members can be reappointed on one occasion and so may serve a total of two consecutive terms, subject to parliamentary approval.

Process to reappoint

8. This is the second reappointment request which has been subject to the parliamentary approval process, the parliament approved the reappointment of the Chair in 2017.
9. Professor Alasdair Smith had previously indicated that he would not be seeking reappointment as a Commissioner therefore a recruitment exercise was undertaken last year to replace him. The Cabinet Secretary, in her letter seeking the reappointment of Professor Smith, explained that the recent recruitment exercise to replace him was unsuccessful and the intention is to rerun the exercise later in 2021. In the interim, the preference is to have Professor Smith continue as a Commissioner for a further period to allow time for a rerun of the recruitment exercise. Professor Smith has confirmed that he is willing to remain as a Commissioner for up to another year, with the intention of standing down once a new Commissioner is in place. The letter said—
 - ” Dame Susan Rice has confirmed that in her view Professor Smith’s performance has been more than satisfactory and his expertise continues to fulfil the Commission’s needs, particularly with the regard to trade and EU exit. Professor Smith has confirmed that he is willing to remain as a Commissioner for up to another year, with the intention of standing down once a new Commissioner is in place.
10. The Scottish Government has informed the Commissioner for Ethical Standards in Public Life in Scotland of this reappointment request.
11. The Committee recommends that the Scottish Parliament approves the reappointment of Professor Alasdair Smith as a Commissioner of the Scottish Fiscal Commission.

Annexe

12. Letter from the Cabinet Secretary for Finance to the Convener - 1 February 2021

Dear Bruce,

At the end of last year a recruitment exercise was undertaken to appoint a new Commissioner for the Scottish Fiscal Commission to replace Professor Alasdair Smith, whose appointment is due to end on 31 March 2021. Although a suitable appointee was identified, that individual subsequently withdrew their application.

The view of Dame Susan Rice, Chair of the Scottish Fiscal Commission was it would be better to rerun the recruitment exercise later in 2021, when the market conditions will have hopefully changed.

In the interim, although the Commission could operate with Dame Susan Rice and two Commissioners, it would be preferable for Professor Smith to continue as a Commissioner for a further period to allow time for a rerun of the recruitment process.

Dame Susan Rice has confirmed that in her view Professor Smith's performance has been more than satisfactory and his expertise continues to fulfil the Commission's needs, particularly with the regard to trade and EU exit. Professor Smith has confirmed that he is willing to remain as a Commissioner for up to another year, with the intention of standing down once a new Commissioner is in place.

I agree that this is an appropriate way forward for the Scottish Fiscal Commission, and accordingly I am seeking Parliament's approval for Professor Alasdair Smith to be reappointed as a Commissioner for the Scottish Fiscal Commission from 1 April 2021 to 31 March 2022, acknowledging that Professor Smith may step down sooner when a new appointee is in place.

Kate Forbes

