

Finance Committee
of the
Directors of The Promise Scotland (SC693269)
on Thursday 2 February 2023 at 14.00-15.30
at Regus, 93 George Street, Edinburgh and on Teams

MINUTE

Attendees - Directors

Jim Savege (JS)	Chair
David Garbutt (DG)	Director
Fraser McKinlay (FMK)	Director and Chief Executive
Jackie Brock (JB)	Director

In attendance – Senior Leadership Team

Morag Burnett (MB)	Head of Governance and Operations (minutes)
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14:00 – 14:05 Item 1. Welcome, apologies and purpose of meeting

Jim Savege (JS) welcomed Directors of The Promise Scotland to the first meeting of the Finance Committee. He noted that its purpose was to review the budget for 2023/24 and to make any recommendations regarding employee salaries and benefits.

There were no apologies.

14:05 – 14:10 Item 2. Declarations of interests

There were no interests to declare in relation to the business of the meeting.

**14:10 – 14:40 Item 3. Budget Process
Papers 1 and 1a**

Morag Burnett (MB) and Fraser McKinlay (FMK) introduced Paper 1 and updated the Finance Committee on budget planning processes and recent discussions with the Scottish Government. It was clarified that The Promise Scotland's overall spend is likely to follow a bell curve, increasing towards the middle of its lifespan and tailing off towards 2030.

As per the governing documents, the Finance Committee meets once a year. Directors agreed that the 2023/24 budget process gives them assurance and enables them to focus on the work and supporting the team on delivery of the plan. Directors requested that the budget process should be sufficiently flexible to allow for funding of emerging new ideas.

Directors discussed the process and management of the Scottish Government grant, as well as future engagement with the funder regarding any funding gap.

JS summarised the committee's view that this year's budget process was pragmatic, with an aspiration to move to a more normalised sequence with a mid-term focus to give all parties assurance. Directors were pleased to hear that the Scottish Government were open to flexible dialogue in terms of the level of funding commitment needed to deliver the required work.

14:40 – 15:20 **Item 4.** **CONFIDENTIAL – Draft Budget 2023/24**
Papers 2 and 2a

In Meeting SEVEN, Directors endorsed a focus on sustaining and maintaining current programmes, counselling against significant expansion or growth. The company's focus in 2023/24 should be on fulfilling existing commitments, including asks from the Scottish Government. This to be expected as the final year of Plan 21-24 approaches.

FMK and MB outlined the draft budget that has been prepared accordingly. Directors asked for clarification on various budget lines and discussed the breakdown of spend across core costs and projects.

Directors commented that flexible resourcing for the future, in terms of staff and money, is important. Directors requested that The Promise Scotland's mid-term strategic plan should be aligned to Plan 24-27 (Plan 24-30). FMK agreed that the current review of Plan 21-24 and the development of the next plan will form the basis for future projects.

Directors discussed the need for some flexibility across the budget to allow for new or rephased projects, as well as contingency to allow for change. Managing this well is an important part of managing risk.

Directors noted the investment in the budget that goes towards supporting the Promise Oversight Board and the company's Directors. Support for the Promise Oversight Board secretariat is a matter that Directors will want to return to, in the context of the work already underway to consider the roles of the two bodies.

Directors discussed staff pay and benefits. Directors requested that a pay policy be developed, benchmarked to appropriate organisations and progressive in how it is applied across the team. Meanwhile, for the purpose of adequate budget provision, Directors agreed the 2023/24 budget should include a prudent increase on the total salary line. This is not a recommendation on uplift, rather it is to make appropriate financial provision in the budget. Directors did not recommend a retrospective salary uplift for 2022/23.

Directors are content with the budget as presented, subject to the amendments suggested above and a further review by the Committee before submission to the full Board.

15:25 – 15:30

Item 5.

Any other business

There was no further business.