

Scottish Government submission of 8 June 2021

PE1862/A

The functions public body boards are to: ensure that the body delivers its functions in accordance with Ministers policies and priorities; to provide strategic leadership; to ensure financial stewardship; and to hold the Chief Executive and senior management team to account.

Highlands and Islands Airport Ltd. (HIAL) is one of many public body boards where the appointment process is regulated by the Ethical Standards Commissioner. A list of boards with regulated appointments is here: [Regulated Bodies | Ethical Standards Commissioner](#)

Public Appointments are 'regulated' if the process is overseen by the Ethical Standards Commissioner. The Public Appointments Team delivers the regulated public appointments process on behalf of Scottish Ministers and follow the Ethical Standards Commissioner's Code of Practice. This means that, as far as possible, the recruitment process is fair, transparent and based on merit. A copy of the Code is available here: [Code of Practice | Ethical Standards Commissioner](#)

The requirements for the appointments to a public body board will be set out in the public body's founding legislation. The legislation typically sets out details about how many people are required for the boards, the length of time served and if the appointments process is regulated by the Ethical Standards Commissioner.

At the outset of a regulated appointment round the appointing Minister will agree who sits on the selection panel, the person specification and the appointment criteria. Each appointment round will meet the requirements of the founding legislation and will use succession planning information and other regulatory requirements to identify what skills, knowledge and experience is required for the board appointment.

There are some public body boards where the founding legislation requires board members to be resident in a certain area, for example, The Trossachs and Loch Lomond and the Cairngorms National Park both require that some people are appointed as 'local members' together with nominations from local councils within the park boundaries.

In some cases, the appointing Minister will require that a board member should be resident in the Board's locale, for example the appointments to the Highlands and Islands Enterprise Board in 2018 required that 2 of the 3 vacant positions should be filled by people who live, work or study in the Highlands and Islands region. This sort of requirement happens on a case by case basis and is at the discretion of the responsible Minister.

Taking the Petitioners' example of Highlands and Islands Airports Limited (HIAL), Ministers are the sole shareholder in the company and Board members role is to represent Ministers interests. They should provide constructive challenge to the management of the company to ensure that the company is run in line with Ministers expectations. Board members are appointed based on their skills, knowledge and experience. Residents of island communities are free to apply to become members of the HIAL Board. An understanding of the role of transport, including aviation, in maintaining the economic and social integrity of the Highlands and Islands is a requirement for all Board members.

In practice, many Boards establish committees to deal with particular areas of interest outside main Board meetings and are required to submit substantive reports to summarise issues, debates and decisions. The extent to which Boards use committees will be dependent on the size of the organisation. Examples of Board committees include: Remuneration Committee; Audit Committee; Succession Planning Committee; Area or Regional Boards where appropriate. Committees may also be set up to deal with specific aspects of the Board's role, such as: Staff Governance; Finance; Policy; Development. Where appropriate, committees can allow for specialist areas relating to the Board's role to be debated in detail by members

with the appropriate knowledge or skills. The key points can then be presented to the full Board for ratification, making more effective use of scarce time. For some organisations, individuals with specific skills and/or expertise may be invited to serve on committees as co-opted members. Co-opted members do not hold Board member status and must never constitute a majority of the membership of any committee.

Boards will consider the concerns and needs of all stakeholders and actively manage its relationships with them. Stakeholders – and the general public – should have access to full and accurate information on the decision-making processes and activities of each public body and have the opportunity to influence decisions and actions. Scottish Ministers expect all public bodies to communicate clearly with their stakeholders, make information widely available, consult thoroughly and imaginatively and seek feedback on the public body's performance, acting on it as appropriate.

Board membership is only one way to participate in local decision making and public life. The Scottish Government is committed to supporting communities to work together and to make their voices heard in the planning and delivery of services. Participation request legislation was introduced to provide people with a way to have their say about improvements to public services, more information is available here: [Participation Request statutory guidance](#)

The Scottish Government is supporting community participation by introducing participatory budgeting in Scotland. This will give people more power to make decisions on spending in their local areas.

The Local Governance Review is examining how Scotland's diverse communities can have greater control and influence over decisions that affect them most. This involves considering how powers, responsibilities and resources are shared across national and local spheres of government, and with communities. The [new Democracy Matters material](#) describes a scenario where people are able to come together in their communities to create new autonomous and democratically accountable decision-making bodies which can take full responsibility for

a range of public services. The Scottish Government and COSLA will continue to work together to strengthen local democracy, and released a joint statement about progress with the review in March 2021. [Local governance review: joint statement - 18 March 2021](#)