

**IN CONFIDENCE**

# Governance and Transparency Review 2024

## Implementation Group Progress Report

**Governance Implementation Group Membership:**

**Lorna Finn (Chair)**

**Gordon MacDonald MSP**

**Elaine Wylie**

**Cllr Alex Kerr National Secretary**

**Cllr Siobhan Tolland**

**Qasim Hanif**

**HQ Staff Support - Ricky Taylor**

Recommendation	Constitutional Change Required	Work Needed	Implementation Timetable	Responsibility	Status
3.1 Responsiveness to members/branch/CA queries	No	Service level agreement for dealing with all enquires should be put in place as standard. SLA's to be agreed by NEC	Before end of 2024	NEC/CEO	In Progress
3.1 Lack of effective rebuttal and pro-active (as opposed to Scottish Government) SNP press activity	No	Rebuttal Unit team has been established.	Complete	CEO	Complete
3.1 Clear and transparent reporting by office bearers and NEC on all matters, including funding and expenditure	No	Adoption of a workplan for office bearers which is reported to NEC to track progress of workstreams. Regular publishing of outcomes of business on my.snp.org	Complete	NEC/Treasurer/CEO	Complete
3.1 The need to establish a risk register	No	Underway	Spring 2025	NEC/Treasurer/CEO	In Progress

Recommendation	Constitutional Change Required	Work Needed	Implementation Timetable	Responsibility	Status
3.1 Feedback on motions not taken for National Council and National Conference	No	Agreement required on lead responsibility and process.	March Conference 2024	National Secretary/ Conferences Committee/Policy Development Convener	In Progress
3.1 Tracking of those resolutions taken in terms of SNP outcomes and actions.	No	Covered by conference resolution and amendment on this. Consideration being given to converting agendas and outcomes of business into register, and initiate tracking system.	Ongoing - Past agendas published already back to 2016	National Secretary/ Conferences Committee/Policy Development Convener	In Progress
3.1 The need for standardised accounting and financial reporting procedures	No	<p>Significant progress and change has been made in our financial reporting. Revised expenditure protocols are now in place, with standardised and detailed reporting to NEC.</p> <ul style="list-style-type: none"> <li>• Management Report prepared by external accountants</li> <li>• More in depth expenditure analysis provided to FAC members.</li> <li>• FAC members given advanced sight of proposed budget prior to approval by NEC.</li> <li>• FAC members review in year income and expenditure forecast.</li> <li>• FAC members attending audit closing meeting.</li> </ul>	Complete	Treasurer/CEO /Accountants	Complete
3.1 A review of membership numbers and agreed method of reporting them	No	No - Already agreed by NEC membership numbers will be reported twice a year.	Complete	NEC	Complete

<b>Recommendation</b>	<b>Constitutional Change Required</b>	<b>Work Needed</b>	<b>Implementation Timetable</b>	<b>Responsibility</b>	<b>Status</b>
3.1 Drafting of a new handbook for members	No	Review of previous handbook. Decision on hard copy or online. Integration with college.snp.org?	TBC - No later than Annual Conference 2025	Member Support Convener	In Progress
3.1 Development of training for office bearers in a range of subjects, including GDPR	No	Identify training requirements and assess need for external support.	TBC	Business Convener/CEO	Not Started
3.1 The provision of models for branch and other meetings	Rulebook changes if incorporating into Branch Rules	Drafting required	No later than AGMs 2025	National Secretary/Council/Conference	Not Started
3.1 Review of IT policy	No		TBC	CEO/SOB's/Data Controller	Not Started
3.1 Review / refresh of electoral software	No	Work underway through leadership of the National Organisation Convener.	Before Annual Conference 2026	CEO/National Organiser /Campaign Committee	In Progress
3.1 Review of Candidate Assessment	Possible rulebook changes	Agreement on appointment and scope of Committee roles; register of panellists to be held and maintained; staffing resources to be identified; review of assessment criteria and assessment stages.	Completed	SOB's/CEO	Complete
3.1 A calendar of national meetings to be publicised and adhered to	No	Underway	NEC Jan 2025	CEO/National Secretary	Ongoing

Recommendation	Constitutional Change Required	Work Needed	Implementation Timetable	Responsibility	Status
3.1 A revised disciplinary and complaints procedure to be established and the backlog eliminated (see 5.23)	Rulebook changes. Potential Constitutional changes.	Standardised complaints form required and procedure required. Streamlined process to MCC.	Target Annual Conference 2025	National Secretary	In Progress
3.1 Devise and implement a whistleblowing policy	No	Review of best practice in similar organisational structures	TBC - No later than Annual Conference 2025	NEC	Not Started
3.3 Establish Governance Standing Group	No	Agree scope and membership.	TBC - should be in place prior to the dissolution of the implementation group	Party Leader	Not Started
3.6 Staff roles to match Office Bearer and Committee Structure	Yes - for office bearer changes	New office bearer and committee structures to be agreed by Conference. Formal consultation process with staff if any changes to job roles or terms and conditions.	TBC - No later than Annual Conference 2025 Staff element following any changes agreed at conference	NEC/CEO	In Progress
4.2 Model Standing Orders for Parliamentary and Council Groups	Rulebook - all can be approved by NEC	Consultation with Groups and ASNPC	Aim for beginning of 25/26 session	National Secretary/Local Government Convener/Group Chairs/NEC	Not Started
4.2 Contracts issued to all staff	No	Interim CEO to pursue.	TBC	Interim CEO	In Progress
5.2 Reduction in NEC size	Yes	Motion to Conference - Discussions ongoing with affiliates/NEC Reps and Office bearers	Spring 2025	NEC	In Progress

<b>Recommendation</b>	<b>Constitutional Change Required</b>	<b>Work Needed</b>	<b>Implementation Timetable</b>	<b>Responsibility</b>	<b>Status</b>
5.12 Establish Senior Office Bearers Committee	Only if decision-making	Constitutional amendment to be brought to March Conference.	March National Conference	NEC	In Progress
5.12 Establish Human Resources and Operations Committee	Yes - change to Business Convener duties	Scope and membership to be agreed.	Post Conference	NEC	In Progress
5.13 Establish Finance, Risk and Audit Committee	No	Finance and Audit Committee currently meeting and work ongoing to establish a new Finance, Risk and Audit Committee to take over its responsibility.	By National Conference 2025	NEC	In Progress
5.14 Appointment of CFO or external accountants	No	N/A	Complete	Treasurer/NEC/CEO	Complete
5.15 Standardised financial reporting to NEC	No	Completed	Complete	Treasurer	Complete
5.16 Review of Branch Dividend	Yes National Council/National Conference motion required	Motions tabled at this National Council.	National Council	Treasurer	In Progress
5.18 Team-based staff structure	No	Currently in progress.	March National Conference	Interim CEO	In Progress
5.18 Code of Conduct changed	Yes	Full overhaul required	March National Conference 2025	National Secretary	In Progress
5.21 Campaign Committee established	No	Campaign Committee established. Fuller remit and membership to be agreed.	Complete	NEC	Complete

Recommendation	Constitutional Change Required	Work Needed	Implementation Timetable	Responsibility	Status
5.23 Eliminate Complaints Backlog	No	Work underway to consider routes to eliminate backlog	TBC	National Secretary	In Progress
5.25 Preamble to be included in Constitution	Yes	Motion to Conference - "In its governance, the party will, at all times, observe the highest standards of propriety including impartiality, integrity and objectivity in relation to the stewardship of party funds and the management and conduct of party business. The party will ensure its governance culture, subject to data protection and issues of confidentiality where appropriate, is characterised by transparency, candour and openness to critical questioning and review. The party will, at all times, act lawfully and will always seek to reflect in its own operations, the standards by which it seeks to hold others to account in its wider political role. The NEC will be accountable to the party membership for upholding good standards of governance."	National Conference 2025	NEC	Ongoing
6.1 Change to Leadership Rules	Rulebook (NEC authority)	Done - Changes made after 2023 leadership election.	N/A	NEC	Complete
6.2 Statement of Liability	No	Under consideration	TBC	NEC	In Progress

# 1. Introduction

## 1.1

This report has been produced to provide and update to the membership on the ongoing work to improve the Governance of the SNP. This report will highlight changes that have taken place since the Annual Conference in August/September. It will also outline suggested constitutional amendments being brought before the party at National Conference in March.

## 1.2

The Governance Implementation Group was formed at the SNP National Executive Committee Meeting in February to drive forward the processes to implement the changes recommended within the Governance and Transparency Review.

## 1.3

The membership of the Governance Implementation Group is Lorna Finn (Chair), Gordon Macdonald MSP, Elaine Wylie, Alex Kerr National Secretary, Siobhan Tolland, Qasim Hanif. HQ staff support provided by Ricky Taylor

## 1.4

The Governance and Transparency Review Group 2023 was jointly convened by then Party President Michael Russel, then National Secretary Lorna Finn, with Qasim Hanif, Cllr Alex Kerr, Cllr Frances Murray and Cllr Siobhan Tolland from the NEC and Cllr Richard Bell, Jeane Freeman, Gordon MacDonald MSP, Roger Mullin and Elaine Wylie as non-NEC Members.

## 1.5

Since its publication the recommendations of the 2023 Governance and Transparency review have been open for consultation and comment. All submissions via email or through the results of the survey of branches, constituencies, and others which was carried have been analysed and taken on board.

## 1.6

This report reiterates the key points from the Governance and Transparency Review report of 2023, provides updates on the non-constitutional changes which have been made and suggests an amended committee structure in light of feedback received from the membership across the board.

## 1.7

At the SNP NEC meeting on 20 May 2023, a "statement on governance" was adopted unanimously on the recommendation of the Governance and Transparency Review and underpins the work of this report. The statement reads as follows -

**"In its governance, the party will, at all times, observe the highest standards of propriety including impartiality, integrity and objectivity in relation to the stewardship of party funds and the management and conduct of party business. The party will ensure its governance culture, subject to data protection and issues of confidentiality where appropriate, is characterised by transparency, candour and openness to critical questioning and review. The party will, at all times, act lawfully and will always seek to reflect in its own operations, the standards by which it seeks to hold others to account in its wider political role. The NEC will be accountable to the party membership for upholding good standards of governance."**

## 1.7

The Governance Implementation Group has continued to work alongside the members of the Governance and Transparency Review (with the exception of Michael Russell) in the preparation of this report and any upcoming National Assembly.

## 1.8

Following the Independence Referendum, the SNP has grown to a mass membership party. The SNP belongs to its members and exists to further our collective aim of securing independence for Scotland. Members meeting at Annual National Conference are the supreme authority in the SNP. Between Annual National Conferences, that role is taken by National Council. Between National Councils, power rests in the National Executive Committee and between National Executive Committees, responsibility lies with the elected Senior Office Bearers of the party. This understanding of the supreme mandate of the members lies at the heart of the changes laid out in this report.

## 2. Update on Cultural Changes

### 2.1

A need to change the culture within the party structures and operation was identified by the Governance and Transparency Review and a number of issues were included in the previous report.

### 2.2

National Executive Committee, staff members at HQ and other party volunteers have been engaged in a rolling program to address many of these concerns, in amongst regular responsibilities, including:

- The establishment of a risk register.
- The completion of standardised accounting and financial reporting for NEC, designed by an accounting firm and ensuring the NEC is presented with high quality financial information.
- The decision by NEC to release membership numbers bi-annually. This figure was reported by the National Secretary on the 20 January 2024. Party membership stood at 64,525 as at June 2024.
- A renewed focus at NEC and HQ level on the importance of communication with members.
- Ongoing work on new electoral software.
- Draft Office Bearer Remits

### 2.3

The National Secretary has met with the Interim Chief Executive Carol Beattie and updates her on ongoing work being carried out to implement recommendations from the Governance and Transparency Review report. The previous reports and up-to-date workstream was shared with the interim Chief Executive.

### 2.4

Significant changes have been made to the process of Candidate Assessment and Appeals to ensure a robust, lawful and quality process going forward. Feedback from members of the previous Candidate Assessment Committee and Appeals Committee was sought as part of the process. The new chair of Candidate Assessment Committee is Lorna Finn with Doug Daniel as the Depute. The new chair of the Candidate Appeals Panel is George Bruce with Kirsten Oswald as the Depute.

## 3. Constitution

### 3.1

The Governance and Transparency Review Report was unanimous in the view that the SNP required a major revision of committee structures at national level to secure increased transparency, greater efficiency and increased opportunities for input from members. With a view to presenting the constitutional changes required to delegates for decision the NEC have agreed to hold a National Conference in March dedicated to internal debate.

### 3.2

The members of the Governance and Transparency Review were unanimous that the size of the NEC, which currently sits at 43 members, is too large and this size leads to a negative impact on decision making and accountability. The survey carried showed clear support for the view that the size of the NEC must be reduced. However it was also clear from feedback in the survey that no reduction of numbers to the NEC should be detrimental to representation. The National Secretary has met with affiliate groups and will continue to engage with others in order to bring forward a solution that works for the membership and the party.

### 3.3

The report provided five possible approaches for reaching a suitable reduction for consideration by members at National Conference. These options were put to respondents in the survey for ranking. Respondents were also asked for any additional input they thought might be helpful.

### 3.4

The responses from the survey recognised that there is a need for the NEC to continue to provide a balance between the many groups within the party. The political consequences, internally and externally, to be seen as stripping back representation of underrepresented groups was also noted. These comments were mentioned by respondents who were supportive of a reduction in NEC size as well as the minority in favour of retaining the NECs current size.

### 3.5

Concern was raised about the workability of the Affiliates Convener post on the grounds that it would overlap with the work of the Equalities Convener and the breadth of representation that a single individual would need to carry out.

### 3.6

Taking onboard the results from the survey and the comments made by respondents the Governance Implementation Group has proposed the following structure:

**Senior Office Bearers: SNP Chair, SNP Leader, Party President, Depute Leader, National Secretary, National Treasurer, Organisation Convener , Policy Development Convener, Women’s Convener, Equalities Convener, Member Communication Officer, Local Government Convener (from ASNPC), SNP Westminster Leader.**

**NEC: Senior Office Bearers, Holyrood Group Representative, Westminster Group Representative, 8 Regional Representatives (Rotating), a representative from each of the 7 Affiliate Groups.**

### **3.7**

This structure would lead to a Senior Office Bearers group of 13 and a wider NEC of 31. This represents an overall reduction in the size of the NEC by 28% while ensuring a balance between groups within the party.

### **3.8**

Within the Senior Office Bearers 10 posts are directly elected by party members at conference with 3 posts being appointed or elected by other groups within the party.

### **3.9**

Within the NEC 18 posts are directly elected by party members at conference with 13 posts elected by other groups within the party.

### **3.10**

Positions elected by other groups within the party or are nominated are: SNP Chair, Local Government Convener, Westminster Leader, Holyrood Group Representative, Westminster Group Representative, the 7 representatives from Affiliate Groups.

### **3.11**

This structure provides a majority of directly elected positions in both the Senior Office Bearers group and the wider NEC whilst also protecting representation of groups within the party.

### **3.12**

Comparison was given to various forms of corporate governance in the designing of this structure. This structure shares many similarities with the Stakeholder Model of the Continental Corporate Governance system used in many companies in Europe and Japan. This differs from the smaller boards common in the UK and the US by aiming to represent stakeholder interests (in this instance groups within the party) while ensuring the needs of the shareholders (in this instance the wider membership) are met. The Continental Corporate Governance Model differs with the addition of a Supervisory board (in this instance the NEC) who actively exercise control over the actions of the Management board (in this instance the Senior Office Bearer Group).

### **3.13**

The Governance Implementation Group believes this structure presents a clear path to “squaring the circle” of reducing NEC size and protecting representation while improving transparency and efficiency in decision-making.

### **3.14**

The Governance Implementation Group is clear that while the Senior Office Bearers will be actively involved in the management of the SNP the wider NEC is supreme in this relationship and can direct the Senior Office Bearers in between National Council and National Conference.

### **3.15**

As laid out in the previous report the NEC should receive regular reports from the Senior Office Bearers and the other Committees that are to be established.

### **3.16**

The question of the backlog of complaints remains due for consideration after Annual National Conference. The Governance Implementation Group expects that, once the backlog is removed and the operation of the system is on a new footing this will be in the best interests of individual complainants, party discipline and the SNP as a whole. The current Member Conduct Committee should be renamed the Complaints and Disciplinary Committee and should have a relevant appeals process contained as part of the structure. Full information regarding cases must be made available to those conducting the appeals.

**3.17**

The Governance and Transparency Review considered the matter of the unreasonably low bar for launching a leadership bid in the current rules. The Governance Implementation Group has looked at other party rules, many of which include minimum thresholds of support for members, parliamentary groups and affiliate organisations. In keeping with the SNP's position as a leader in democratic processes the Governance Implementation Group recommends a nomination for leadership should comprise 2.5% of the membership who were members at the time of a contest being announced, or nominations opening. The use of a percentage figure rather than a number future proofs this section of the constitution.

**3.18**

Feedback from the most recent Annual Conference suggested an interest in the potential to review Branch Delegate entitlement with a view to allowing National and Annual Conferences to be held in a wider variety of venues across the country. As it currently stands Annual Conference can only realistically be held in Glasgow, Edinburgh or Aberdeen. A revised delegate entitlement will be brought forward for consideration by National Conference in March.

**3.19**

An outline of proposed constitutional changes can be found in Appendix A.

## Constitutional Changes proposed for March Conference

### Formalisation of Senior Office Bearer Committee

#### Outline of Constitutional Change

- Explicitly outline the membership and responsibilities of Senior Office Bearer Committee.
- Membership: SNP Chair, SNP Leader, Party President, Depute Leader, National Secretary, National Treasurer, Organisation Convener, Policy Development Convener, Women's Convener, Equalities Convener, Member Communication Officer, Local Government Convener (Convener of ANC), SNP Westminster Leader. It will also include the Chief Executive in a non-voting capacity.
- Responsibilities: Report to and take direction from the NEC, directly responsible for employment and direction of staff, ownership of the Party's assets and management of the Party's financial affairs.

#### Reason for Constitutional Change

- To formalise the working of a Senior Office Bearer Committee as a "management committee" along the lines of the Continental Corporate Governance Model.
- This model of Senior Office Bearers working in conjunction with HQ to advance workstreams and to provide papers to the wider NEC for approval and amendment is already how the vast majority of business takes place.
- Formalisation of this process sets clear responsibilities and limits to the operation of a Senior Office Bearer Committee.
- Dovetails with the development of the team structure in HQ and the linking of relevant staff with appropriate Senior Office Bearers.

### Streamlining of National Executive Committee

#### Outline of Constitutional Change

- Explicitly outline the membership and responsibilities of National Executive Committee.
- Membership: Senior Officer Bearers, Holyrood Group Representative, Westminster Group Representative, 8 Regional Representatives (Rotating), a representative from each of the 7 Affiliate Groups.
- Responsibilities: Receive reports from and direct the work of the Senior Office Bearer Committee.

#### Reason for Constitutional Change

- To formalise the working of a National Executive Committee as a "scrutiny committee" along the lines of the Continental Corporate Governance Model.
- Addresses the concerns around the size of the National Executive Committee by bringing total numbers down by 28% without losing representation from any underrepresented group.
- This model of Senior Office Bearers working in conjunction with HQ to advance workstreams and to provide papers to the wider NEC for approval and amendment is already how the vast majority of business takes place.
- Formalisation of this process sets clear responsibilities and limits to the operation of a Senior Office Bearer Committee.
- Ensures the supremacy of the National Executive Committee in its relationship with the Senior Office Bearers is made explicit within the constitution.

## Constitutional Changes proposed for March Conference

### Branch Delegate Entitlement

#### Outline of Constitutional Change

- To amend Branch Delegate Entitlement to allow Annual Conferences to be held in a wider variety of venues across Scotland.

#### Reason for Constitutional Change

- To allow Annual Conferences to be held in a wider variety of venues across Scotland.

### Updating Leadership Election Rules

#### Outline of Constitutional Change

- Change the bar for triggering a leadership election from 100 members to 2.5% of party members.

#### Reason for Constitutional Change

- To update the 100 members to a more reasonable, though still significantly democratic threshold that will evolve with the party's membership numbers.
- The current 100 members constitutes just 0.15% of our membership at the most recently published figure for membership.