

Consumer Scotland Framework Document
Agreement between The Scottish Ministers
And Consumer Scotland

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1. INTRODUCTION

1.1 Consumer Scotland (“CS”), established by the Consumer Scotland Act 2020 (“[the Act](#)”), is a body corporate. Its administrative classification amongst Scottish public bodies as a Non Ministerial Office with the status of an office-holder in the Scottish Administration, thus ensuring its operational independence. CS is directly accountable to the Scottish Parliament for the delivery of its functions. CS is known in Gaelic as *Luchd-Cleachdaidh Alba*.

1.2 As set out in [section 2 of the Act](#), Consumer Scotland has the general function of providing consumer advocacy and advice. See paragraphs 3.1-3.2.

1.3 This Framework Agreement sets out the terms of an agreement between Consumer Scotland and the Scottish Ministers in relation to the governance, financing and operation of the functions of CS. It forms a key part of the governance and accountability framework within which CS will operate. The Agreement does not create legal obligations or confer legal powers or responsibilities on either party. Legislative provisions shall take precedence over any part of this Agreement.

1.4 The principal purpose of this Framework Agreement is to define key roles and responsibilities underpinning the relationship between CS and the Scottish Ministers,. Nothing in this Agreement affects, or is intended to affect, in any way the direct accountability of CS to the Scottish Parliament, including its Finance Committee, for the performance of its statutory functions. See Section 3 of this document.

1.5 The Framework Agreement has been drawn up jointly by the Board of CS and the Scottish Government.

1.6 The Agreement begins by setting out a number of shared principles for joint working of Scottish Ministers and CS. It then summarises the functions of CS and sets out the roles and responsibilities of the Scottish Ministers; the Chair and Members of the Board of CS; the Chief Executive, including the specific role as the Accountable Officer; the staff of CS; and the Scottish Government Director for Energy and Climate Change.

1.7 The Agreement also sets out roles, responsibilities and requirements in relation to: financial management and resources including budget allocation, audit and risk management, and shared services and contracts; accountability to the Scottish Parliament; planning and reporting including CS strategy, corporate plan and annual reports; Freedom of Information policy; and information and data sharing. Finally, provision is made for review and publication of the Framework Agreement. See Section 9.

2. SHARED PRINCIPLES

2.1 Consumer Scotland (“CS”) and the Scottish Ministers (“Ministers”) confirm that they will adhere to the following shared principles:

- a CS and Scottish Ministers will work to put consumer rights and interests at the heart of markets, services and policy.
- b CS will not act in such a way as might compromise, or be seen to compromise, its own independence;
- c Scottish Ministers will not act in such a way as might compromise, or be seen to compromise, the independence of CS;
- d CS will remain politically neutral;
- e CS will carry out its functions with integrity and in such a way as to promote transparency, ensuring that appropriate summaries of its analysis and activity are available for scrutiny by the Scottish Parliament, academic commentators and others, and that records are retained to allow external assessment of its work.
- f CS and Ministers are committed to good and effective communications with each other, especially where CS is providing advice and making proposals to Ministers.
- g Ministers wish to ensure that CS has access to all relevant information to be able to consider issues on their merits.
- h CS and Ministers will keep each other informed of developing priorities and working practices through a timetable of quarterly formal meetings in addition to the sharing of information at an official level where deemed appropriate by the respective accountable officers.
- i CS has right of access to any relevant information held by the Scottish Government that CS may reasonably require for the purpose of performing its functions while practicing a responsibility to handle the relevant information in accordance with the relevant data protection laws
- j CS is bound by the confidentiality requirements set out in the Code of Conduct for Members of Consumer Scotland.
- k CS and the Scottish Ministers will both work in ways which support the best principles of corporate governance and financial accountability, as set out in the Scottish Public Finance Manual (**see Annex A**).
- l CS will seek to work collaboratively with other public bodies, identifying opportunities to enhance understanding of consumers’ interests and improve policy delivery across the public sector and where appropriate deliver shared service opportunities.

CONSUMER SCOTLAND FUNCTIONS AND TRANSPARENCY

Functions

2.2 As set out in [section 2 of the Act](#), Consumer Scotland (CS) has the general function of providing consumer advocacy and advice with a view to:

- a reducing harm to consumers;
- b increasing confidence among consumers in Scotland in dealing with businesses that supply goods and services to consumers;
- c increasing the extent to which consumer matters are taken into account by public authorities in Scotland;
- d promoting:
 - I. sustainable consumption of natural resources; and,
 - II. other environmentally sustainable practices

- in relation to the acquisition, use and disposal of goods by consumers in Scotland;
- e otherwise advancing inclusion, fairness, prosperity and other aspects of wellbeing in Scotland.

2.3 [Sections 3 to 6 of the Act](#) sets out the particular functions CS has in order to exercise its general function and the actions CS can take to carry out these functions:

The representative function

As set out in [section 3 of the Act](#), CS:

- a may provide advice and information to the Scottish Ministers, any Minister of the Crown or government department, any local authority, any regulatory body established by or under an enactment or any other person whom CS considers might have an interest in the matter in question;
- b make proposals to those persons listed at paragraph 3.2.a about consumer matters;
- c represent the views of consumers on consumer matters to those persons listed at paragraph 3.2.a.

Where the Scottish Ministers ask CS to provide them with such advice, information, proposals or representations, CS must, so far as it reasonably practicable and consistent with its other functions, do so.

The research and investigation function

As set out in [section 4 of the Act](#), CS may obtain, analyse, and keep under review:

- a information about consumer matters;
- b information about the views of consumer or consumer matters; and,
- c information of such other description as may be prescribed by the Scottish Ministers by regulations.

CS may also undertake investigations into sectors or practices which it considers cause, or may cause, harm to consumers or otherwise for the purpose of fulfilling its general function.

The information function

As set out in [section 5 of the Act](#), CS may provide or secure the provision of advice and information to consumers about:

- a Consumer Scotland and its functions;
- b consumer matters (as they relate to consumers generally or individually) and,
- c about such other matters as may be prescribed by the Scottish Ministers by regulations.

CS may (among other things):

- a publish or otherwise make available information in any manner CS considers appropriate for the purpose of bringing it to the attention of those likely to have an interest in it;
- b support, facilitate or coordinate the activities of other bodies.

The recall of goods function

As set out in [section 6 of the Act](#), CS must establish and operate, or secure the establishment and operation of, a publicly available database of recalls of goods in Scotland which CS considers to be major (either in terms of the significance of the potential risk to individuals from the goods or the scale of the recall).

CS may take such further steps as it considers appropriate to provide or secure the provision of advice and information to consumers about such recalls.

2.4 Under [section 20 of the Act](#) Scottish Ministers may by regulations, confer, vary or remove functions from Consumer Scotland only through consultation with Consumer Scotland and any other persons considered appropriate, except the general function under Section 2 which cannot be varied by regulation.

3. ROLES AND RESPONSIBILITIES

3.1 The relevant powers and duties of Consumer Scotland and of the Scottish Ministers specifically with regard to Consumer Scotland’s operations are set out in [the Act](#). The CS Chief Executive, as Accountable Officer, is personally responsible for safeguarding the public funds for which they have charge and for ensuring propriety and regularity in the handling of those funds. The Chief Executive will also take the necessary actions to appoint a Deputy Accountable Officer.

The Scottish Ministers

3.2 In accordance with paragraph 2(1) of [Schedule 1 of the Act](#), the Scottish Ministers will appoint a member to chair Consumer Scotland and between two and four other members. Paragraph 3(1) of [Schedule 1 of the Act](#) sets out persons who may not be appointed as members. All appointments are subject to the approval of Scottish Ministers. Appointments to Consumer Scotland are regulated public appointments and subject to the Public Appointments and Public Bodies etc. (Scotland) Act 2003 and the Gender Representation on Public Boards (Scotland) Act 2018. Appointment decisions should be fair and open and based on merit. The appointments process is a regulated process for Scottish Ministers and is bound by the Ethical Standards Commissioner Code of Practice.

3.3 Scottish Ministers are not responsible for CS’ operational matters nor for the discharge or monitoring and investigation functions. [The Act](#) intends that Consumer Scotland operates independently, and is not subject to the direction or control of any member of the Scottish Government in performing its functions, other than in the limited circumstances specified in that Act and in other enactments.

3.4 In line with the intention that CS operates independently of Scottish Ministers, [the Act](#) does not provide for any power of direction or requirement to seek approval for its forward work programme on an annual basis. CS will provide regular updates and sufficient notification of content and timing of statutory publications.

3.5 The Scottish Ministers determine the Budget proposals to be submitted to Parliament in the Budget Bill, including the proposed budget for Consumer Scotland. Ministers are responsible for ensuring that this budget is sufficient to enable Consumer Scotland to carry out its remit effectively. The process for agreeing Consumer Scotland’s budget allocation is described in section 6 on Financial Management and Resources.

3.6 Consumer Scotland’s determination of the location of its office premises is subject to the approval of Scottish Ministers, in accordance with paragraph 13 of [Schedule 1 of the Act](#).

Board of CS

3.7 Consumer Scotland will consist of a Chair and between two and no more than four other members (also referred to as “Board members”, “the members of CS” or “CS members”) appointed by the Scottish Ministers. CS will be diverse and inclusive, and have an appropriate mix of a range of relevant knowledge, skills and experience including an understanding of the challenges faced by consumers in vulnerable circumstances. The number of members for a quorum at a meeting of the CS Board will be $\left\lceil \frac{n+1}{2} \right\rceil$, where n is the number of currently serving Board members (including the Chair, if not vacant) and $\lceil \]$ indicates that the number should be rounded up to the nearest whole number.

Board Expenses

3.8 Remuneration (daily fees), allowances and expenses paid to Board members [and any pension arrangements] must comply with the [Scottish Government Pay Policy for Senior Appointments](#) and any specific guidance on such matters issued by the Scottish Ministers.

3.9 The role of the Board is to provide leadership, direction, support and guidance to ensure the Body delivers its functions effectively and efficiently. It has corporate responsibility, under the leadership of the chair, for the following:

- a publishing a forward work programme and ensuring Scottish Ministers are supplied with a copy in advance of publication, having agreed with UK Government Ministers funding for those sections relating to levy funded energy and post work.
- b determining the steps needed to deal with changes which are likely to impact on the strategic aims and objectives of CS or on the attainability of its operational targets.
- c promoting the efficient, economic and effective use of staff and other resources by CS consistent with the principles of [Best Value](#), including, where possible, participation in shared services arrangements.
- d ensuring that effective arrangements are in place to provide assurance on risk management (including in respect of personnel, physical and cyber risks/threats/hazards), governance and internal control. (The Board must set up an [audit committee](#) chaired by a Board member to provide independent advice and assurance on the effectiveness of the internal control and risk management systems).
- e in reaching decisions taking into account any relevant guidance issued by the Scottish Ministers where Scottish Ministerial approval is required.
- f approving the annual accounts and ensuring they are laid before the Scottish Parliament while providing Scottish Ministers with a copy for information by the required date. The Chief Executive as the Accountable Officer of the public body is responsible for signing the accounts.
- g requiring that the Board receives and reviews regular financial information concerning the management and performance of CS and is informed in a timely manner about any concerns regarding the activities of CS.
- h appointing, with the approval of the Scottish Ministers, the CS Chief Executive, following appropriate approval of the Chief Executive's remuneration package in line with [Scottish Government Pay Policy for Senior Appointments](#). The expectation is that new contracts for Chief Executives should include a notice period of no more than 3 months. Where a business case can be made, the notice period may be set at a maximum of 6 months. In consultation with the Scottish Government appropriate performance objectives should be set which give due weight to the proper management and use of resources within the stewardship of CS and the delivery of outcomes.
- i demonstrating high standards of corporate governance at all times, including openness and transparency in its decision making.

3.10 The primary duty of the Chair of CS is to provide leadership, direction, support and guidance to CS in the successful, effective and efficient performance of its functions. The chair will keep Scottish Ministers up to date with CS' priorities through the quarterly meetings at Ministerial and Scottish Government Director Level. They will exercise leadership responsibilities in relation to building relationships with and representing the views of CS to the Scottish Parliament, the Scottish Ministers and other key stakeholders.

3.11 In leading the Board the Chair must ensure that:

- a the work of the Board is subject to regular self-assessment and that the Board is working effectively
- b the Board, in accordance with recognised good practice in corporate governance, is diverse both in terms of relevant skills, experience and knowledge appropriate to directing the CS business, and in terms of protected characteristics under the Equality Act and the [Gender Representation on Public Boards Act](#) and [Guidance](#), where these apply.
- c the Board members are fully briefed on terms of appointment, duties, rights and responsibilities
- d they together with the other Board members, receive appropriate induction training, including on financial management and reporting requirements, severance policy and, as appropriate, on any differences that may exist between private and public sector practice
- e succession planning takes place to ensure that the Board is diverse and effective, and the Scottish Ministers are advised of the CS needs when Board vacancies arise
- f there is a code of conduct for Board members in place, approved by the Scottish Ministers. The onus is on individual Board members of their personal obligations under the CS code of conduct. The approved code of conduct will be published on the CS website.

3.12 The chair assesses the performance of individual Board members on a continuous basis and undertakes a formal appraisal at least annually. The chair, in consultation with the Board as a whole, is also responsible for undertaking an annual appraisal of the performance of the Chief Executive. Board members are personally responsible in their obligations under the CS code of conduct.

Board Members of CS

3.13 Individual Board members should act in accordance with the responsibilities of the Board as a whole and comply at all times with the code of conduct adopted by CS and with the rules relating to the use of public funds and to conflicts of interest. (In this context "public funds" means not only any funds provided to CS by the Scottish Ministers but also any other funds falling within the stewardship of CS, including trading and investment income, gifts, bequests and donations.) General guidance on Board members' responsibilities is summarised in their appointment letters and is also provided in the [On Board](#) guidance published on the Scottish Government's website.

Chief Executive of CS

3.14 The Chief Executive, as Accountable Officer, is personally responsible for safeguarding the public funds for which they have charge and for ensuring propriety and regularity in the handling of those funds. The Chief Executive of CS is employed and appointed by the Board, with the approval of the Scottish Ministers. As Accountable Officer, they are the Board's principal adviser on the discharge of its functions and in doing so are accountable to the Board. On appointment, the Chief Executive, as Accountable Officer will receive an accountable officer letter from the Permanent Secretary of the Scottish Government, as the Principal Accountable Officer for the Scottish Administration (See also section 4.17).

3.15 The Chief Executive will also provide operational leadership to CS and ensure that the Board's aims and objectives are met and CS' functions are delivered and targets met through effective and properly controlled executive action. Their general responsibilities include the performance, management and staffing of CS. General guidance on the role and responsibilities of the Chief Executive is contained in *On Board* website.

3.16 Specific responsibilities of the Chief Executive towards the Board include:

- a advising the Board on the discharge of its responsibilities (as set out in this Agreement, in the founding legislation and in any other relevant guidance issued by or on behalf of the Scottish Ministers) and implementing the decisions of the Board
- b in line with Scottish Public Finance Manual (SPFM) ensure that:
 - I. financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions
 - II. appropriate financial appraisal and evaluation techniques are followed
 - III. robust performance and risk management arrangements are in place which support the achievements of CS aims and objectives and that facilitate comprehensive reporting to the Board and Scottish Parliament are in place (Risk management arrangements should include full consideration of organisational resilience to physical, personnel and cyber risks/threats/hazards)
 - IV. adequate systems of internal control are maintained by CS, including effective measures against fraud and theft.
 - V. appropriate documented internal delegated authority arrangements are established.

The Chief Executive must also ensure:

- a that CS adheres, where appropriate, to the Scottish Government's [Programme and project management principles](#),
- b the Board is kept fully up to date on the performance of CS compared with its aim[s] and objectives, as set out in its corporate and business plans,
- c effective relationships with Scottish Government officials are maintained.
- d that timely forecasts and monitoring information on performance and finance are provided to the Scottish Government; that the Scottish Government is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Scottish Government in a timely fashion
- e that staff pay proposals are in line with Scottish Government [Pay Policy](#) and submitted in time and the necessary approvals obtained prior to implementing any annual award.
- f Appropriate delegated authority, counter-fraud and anti-bribery, IT and information security and whistle-blowing policies are in place and rigorously applied.

Accountable Officer

3.17 The Chief Executive is designated as the Accountable Officer by the Permanent Secretary of the Scottish Government, as the Principal Accountable Officer for the Scottish Administration, in accordance with sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000. As Accountable Officer, the Chief Executive is personally responsible for safeguarding the public funds for which they have charge and for ensuring propriety and regularity in the handling of those public funds. The Accountable Officer has a duty to obtain Value for Money and Best Value in the operational performance of the organisation and for ensuring that effective governance and operational arrangements are in place to secure internal control and risk management. The Accountable Officer is also responsible for signing the annual statement of accounts and associated governance statements.

3.18 Accountable Officers are personally answerable to the Scottish Parliament for the exercise of their functions, as set out in the [Memorandum to Accountable Officers for Other Public Bodies](#).

3.19 It is incumbent on the Chief Executive to combine their Accountable Officer responsibilities to the Scottish Parliament with their wider responsibilities to the Board. The Board/Chair should be fully aware of, and have regard to, the Accountable Officer responsibilities placed upon the Chief Executive. The Chief Executive will take the necessary action required to appoint a Deputy Accountable Officer.

3.20 In practice, the Chief Executive will delegate authority to other employees of CS but they cannot on that account disclaim responsibility. The Chief Executive cannot assign accountability to any other person for any of the responsibilities set out in this Framework Agreement (subject to section 10 of the Memorandum to Accountable Officers for Parts of the Scottish Administration, which covers absence of the Accountable Officer).

3.21 The Chief Executive is responsible for informing the Principal Accountable Officer for the Scottish Administration about any complaints regarding CS accepted by the Scottish Public Services Ombudsman (SPSO) and, of any subsequent recommendations from the SPSO

Portfolio Accountable Officer Responsibilities

3.22 The Principal Accountable Officer for the Scottish Administration will designate the DG Economy as the Accountable Officer for the Scottish Government portfolio budget for CS. The responsibilities of a Portfolio Accountable Officer are set out in detail in the [Memorandum to Accountable Officers for Parts of the Scottish Administration](#). They are personally answerable to the Scottish Parliament for ensuring that:

- a the financial and other management controls applied by the Scottish Government are appropriate and sufficient to safeguard public funds and, more generally that those being applied by CS conform to the requirements both of propriety and of good financial management.
- b the key roles and responsibilities which underpin the relationship between the Scottish Government and CS are set out in a Framework Agreement (i.e. this document) - and that this document is regularly reviewed.
- c effective relationships are in place at senior management level between the Scottish Government and CS in accordance with the strategic engagement principles.
- d there is effective continuous assessment and appraisal of the performance of the chair of CS, in line with the requirements of the Code of Practice for Ministerial Public Appointments in Scotland. The Portfolio Accountable Officer will continuously assess the performance of the Board including how the Chair meets the following objectives:
 - I. ensuring CS delivers its functions in accordance with [the Act](#)

- II. providing strategic leadership to CS
- III. ensuring financial stewardship
- IV. holding the chief executive and senior management team to account

Staff of CS

3.23 The Chief Executive will put appropriate workforce planning arrangements in place to ensure that CS can deliver future service requirements.

3.24 The Chief Executive is responsible for the learning and development of staff, both as individuals and collectively, and for ensuring that all staff have the knowledge, skills and experience required for CS to deliver its functions effectively. The learning and development strategy will pay particular attention to CS' own organisational priorities.

3.25 CS through its Chief Executive, is responsible for determining its organisational and management structure and the number and levels of staff below the level of the Senior Civil Service (SCS). The creation of SCS posts, and their reward, is part of a UK-wide scheme and CS will need the agreement of the Scottish Government to create any SCS posts. CS will also need to agree with Scottish Government the means of recruitment, and levels of reward, for any SCS posts, including the post of Chief Executive.

3.26 CS is committed to effective communication with its staff and staff representatives and will establish and maintain local partnership arrangements with staff representatives. These partnership arrangements will reflect CS' commitment to Scottish Government's Fair Work policy.

3.27 All staff employed by CS have a duty to the Chief Executive, and through the Chief Executive to CS, to support the efficient and effective operation of CS' functions and the achievement of CS' aims and objectives.

3.28 CS staff are civil servants and are required to adhere to the standards set out in the Civil Service Code (specifically, the version applicable to staff in non-Ministerial Offices in Scotland) this sets out the framework within which all civil servants work, and the core values and standards of behaviour which they are expected to uphold. Staff are appointed by open and fair competition; and CS is responsible for ensuring that staff recruitment arrangements are fair, open and transparent in line with the Civil Service Commissioners' Recruitment Principles. All recruitment, including for (SCS) posts will adhere to the Scottish Government's recruitment policies and procedures.

3.29 CS staff are civil servants, as part of the Scottish Administration, and not the Scottish Government.

3.30 CS will require an HR management service independent of Scottish Government (including pay negotiations, pay awards, payroll and pensions) for CS staff. CS has further decided that they will look to analogue to the terms set by the Scottish Government Main (SGM) bargaining unit (including annual pay negotiations). CS staff terms and conditions will initially be aligned with SGM terms and conditions of employment and CS will adapt core Scottish Government HR policies and procedures. CS will review its HR service provision from time to time to ensure that these arrangements continue to meet its operational needs in partnership with their recognised Trade Unions.

3.31 The Scottish Government has a Partnership Agreement with its recognised trade unions covering all matters relating to the general welfare, terms, conditions and working practices of staff. For the purposes of SGM terms and conditions and collective bargaining the recognised unions are the Public and Commercial Service Union (PCS), Prospect and FDA. Collectively the recognised unions form the Council of

Scottish Government Unions (CSGU). A recognition agreement has been signed between Consumer Scotland and the CSGU.

3.32 The staff are members of, or are eligible to join, the Civil Service pension arrangements.

3.33 Although it is not open to CS, while it remains part of SGM, to undertake independent review of its terms and conditions, specific elements can be discussed centrally with Scottish Government HR and the CSGU, where variation might be in the interests of improved efficiency and effective management and having regard to the need to recruit, retain and motivate staff. Any CS-specific changes to terms and conditions will only be made after discussion and agreement between Scottish Government HR and CS and following consultation with the CSGU.

3.34 Staff health, safety and wellbeing are key priorities for CS as an employer. CS is strongly committed to providing a workplace free from unfair discrimination and from bullying, and to ensuring the fair treatment of all its staff.

3.35 Responsibility for health and safety management lies with the Chief Executive in line with the requirements of the Health and Safety at Work Act 1974 and other relevant legislation, guidance and/ or best practice. CS is responsible for the health and safety not only of its staff but also of visitors to its premises

Pay and Conditions of Service

3.36 Consumer Scotland will comply with Scottish Government Pay Policy in relation to staff and the chief executive. CS shall submit to the Scottish Government for approval (normally annually unless a multi-year deal has been agreed) a pay remit in line with the Scottish Government [Pay Policy for Staff Pay Remits](#) and negotiate a pay settlement within the terms of the approved remit. Payment of salaries should also comply with the [Tax Planning and Tax Avoidance](#) section of the SPFM. Proposals on non-salary rewards must comply with the guidance in the [Non-Salary Rewards](#) section of the SPFM. [Where applicable, CS will also seek appropriate approval under the Scottish Government [Pay Policy for Senior Appointments](#) for the chief executive's remuneration package prior to appointment, annually or when a new appointment or change to the remuneration package is being proposed.]

Pensions, redundancy and compensation

3.37 Superannuation arrangements for CS staff are subject to the approval of the Scottish Government. CS staff shall normally be eligible for a pension provided by the Civil Service Pension Scheme. Staff may opt out of the occupational pension scheme provided by CS but the employers' contribution to any personal pension arrangement, including stakeholder pension, shall normally be limited to the national insurance rebate level.

3.38 Any proposal by Consumer Scotland to move from existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the Scottish Government. Proposals on compensation payments must comply with the Settlement Agreements, Severance, Early Retirement and Redundancy Terms section of the SPFM. This includes referral to the Scottish Government of any proposed severance scheme (for example, a scheme for voluntary exit), business case for a settlement agreement being considered for an individual, or proposal to make any other compensation payment. In all instances, CS should engage with the Scottish Government prior to proceeding with proposed severance options, and prior to making any offer either orally or in writing.

Director, Energy & Climate Change, Scottish Government

3.39 Scottish Government's Director for Energy and Climate Change will work closely with the Chair and Chief Executive of CS to ensure effective working relationships are maintained between Scottish Government and CS. The Director will be answerable to the Scottish Ministers for maintaining and developing with CS positive relationships characterised by openness, trust and respect. The Energy Services and Consumer Unit within the Energy and Climate Change Directorate will have day-to-day responsibility for discharging these and any other functions delegated by the Director, working with colleagues across the Scottish Government as necessary.

3.40 The Director shall be responsible for assessing the performance of the CS chair at least annually.

3.41 The Director will promote organisational alignment between CS and the Scottish Government as appropriate, while fully respecting the independent functions of CS, by ensuring that:

- a the Chief Executive or, where appropriate, the Chair and members of CS, are aware of strategic developments and corporate decisions which may affect CS' functions or operations; and
- b an appropriate Framework Agreement (i.e. this document) is in place and is reviewed and maintained as appropriate under the arrangements set out in Section 9 below.

3.42 The Director:

- a may consult with the Accountable Officer of CS on any aspect of that person's duties.
- b will provide guidance on any matter where the Accountable Officer seeks advice in relation to a written authority from Scottish Ministers in terms of section 8 of the *Memorandum to accountable officers for parts of the Scottish Administration* in the SPFM; and
- c will provide advice to the Accountable Officer on any matter which would require a direction from Board members.

3.43 Other responsibilities of the Director include

- a providing support and constructive challenge as appropriate while fully respecting the independent functions of CS, to ensure that CS is high performing and continuously improving;
- b provide assurance to Scottish Ministers that an effective system of governance of CS is in place and working;
- c supporting the Scottish Ministers in the discharge of their duties in respect of CS;
 - I. ensuring, where necessary, that appropriate core Scottish Government corporate services are available to support and facilitate the work of CS;
 - II. carrying out an annual appraisal of the Chair; and,
 - III. countersigning the annual appraisal of the Chief Executive, in their capacity as a Senior Civil Servant.

3.44 Taking account of the Annual Report and other information provided by or requested from CS, the Director will be responsible for advising the Scottish Ministers about CS' operation and performance.

3.45 The Director will meet the Chair of CS at least twice annually to promote effective relations between Scottish Government and CS and, as appropriate, to discuss the Scottish Ministers statutory

responsibilities with respect to CS including funding and arrangements for the appointment and appraisal of Board members.

Scottish Government Support Team Responsibilities

3.46 Scottish Government support team for CS is within the Directorate for Energy and Climate Change. It is the normal point of contact for CS in dealing with the Scottish Government. The team under the direction of the Director is the primary source of advice to the Scottish Ministers on the discharge of their responsibilities in respect of CS and undertakes the responsibilities of the Portfolio Accountable Officer on their behalf.

3.47 Specific responsibilities include:

- a ensuring that appointments to the CS Board are made timeously and, where appropriate, in accordance with the [code-practice](#) for Ministerial Appointments in Scotland
- b proportionate monitoring of CS' activities through an adequate and timely flow of appropriate information, agreed with CS, on performance, budgeting, control and risk management
- c addressing in a timely manner any significant problems arising in CS, alerting the Portfolio Accountable Officer and the responsible Minister(s) where considered appropriate
- d ensuring that the objectives of CS and the risks to them are properly and appropriately taken into account in the Scottish Government's risk assessment and management systems
- e informing CS of relevant Scottish Government policy in a timely manner.

4. CONSUMER SCOTLAND AND THE SCOTTISH PARLIAMENT

Accountability to the Scottish Parliament

4.1 CS is directly accountable to the Scottish Parliament for the performance of its statutory functions. The Chief Executive, as Accountable Officer, is personally responsible, and accountable to the Parliament, for safeguarding, and for ensuring efficiency, propriety and regularity in the use of, public funds for which they have charge. The principal routes of accountability to the Parliament are through the Chair and the Chief Executive as Accountable Officer. The Chair, the Accountable Officer or, where appropriate, members of CS staff will give written or oral evidence to the Scottish Parliament when invited to do so. The Parliament has the power to require any CS Board member or member of CS staff to attend a Parliamentary Committee.

Parliamentary Questions

4.2 The Scottish Ministers will not be accountable through Parliamentary Questions for the operations of CS.

4.3 Parliamentary Questions to the Scottish Ministers may, however, seek information about consumer matters for which the Scottish Government has a general responsibility, but which the Scottish Ministers cannot provide without assistance from CS. While remaining responsible for their answers to Parliamentary Questions, the Scottish Ministers may seek information from CS to enable them to respond to such questions.

4.4 Where a Parliamentary Question relates to operational matters of CS, the Ministerial reply will indicate that this is the case and that the Question has been passed to the Chief Executive of CS for reply.

Correspondence from Members of the Scottish Parliament

4.5 When Members of the Scottish Parliament (MSPs) seek information from CS on matters for which it is responsible – whether directly or in a Parliamentary Question passed to the Chief Executive by the Scottish Ministers under paragraph 5.4 above – the Chief Executive will reply, normally within 20 working days of receipt of the correspondence or, as the case may be, the forwarded Parliamentary Question.

4.6 Correspondence from and to MSPs will normally be published on the CS website, in the same way that answers to Parliamentary Questions are publicly available, subject to the requirements of the Freedom of Information (Scotland) Act 2002 and the Data Protection Act 2018.

5. FINANCIAL MANAGEMENT AND RESOURCES

Consumer Scotland Budget Allocation

5.1 Consumer Scotland is directly funded from The Scottish Consolidated Fund and as part of the Scottish Administration and will have its own level 4 budget set out in the annual Budget Bill. The Scottish Government will liaise with CS to identify its budgetary requirements which will be reflected in the Budget Bill which Ministers present to the Scottish Parliament. It is for the Scottish Ministers to determine the budget proposals to be submitted to the Scottish Parliament within the Budget Bill, including the proposed budget for CS.

5.2 When setting budgets as part of the annual draft Budget process, CS may identify its multi-year resource needs. The Scottish Ministers will subsequently provide a clear indication of funding for the forthcoming financial year (year 1) and, where possible and subject to Spending Review processes, indicative funding for years 2 and 3 which can be reviewed should there be significant changes in circumstances.

5.3 Scottish Ministers must seek to ensure that the amount of resources allocated for use by CS is reasonably sufficient to enable it to perform its functions. Where agreement on CS budget cannot be reached between the parties, the following protocol will be used. In the first instance, there will be a meeting between the Chief Executive, as Accountable Officer, and the Director. If agreement cannot be reached at official level, there will be a meeting between the Chair of CS on the one hand and the Cabinet Secretary for Finance and the Economy on the other. Every effort will be made by all three parties to ensure agreement. It will ultimately be for the Scottish Ministers to determine the budget allocations within the Budget Bill and for the Scottish Parliament to approve those allocations.

5.4 Subject to the limits imposed by the budget allocated to CS and other applicable guidance from the Scottish Ministers, CS has full authority to incur expenditure on individual items.

5.5 The statement of budgetary provision will set out the budget within the classifications of resource Departmental Expenditure Limits (RDEL), capital DEL (CDEL) and Ring-fenced (non-cash) (RfDEL). CS will inform the Support Team at the earliest opportunity if a requirement for Annually Managed Expenditure (AME) budget is identified. The Scottish Government should also be advised in the event that estimated net expenditure is forecast to be lower than budget provision. Transfers of budgetary provision between the different classifications require the prior approval of the Scottish Government Finance Directorate. Any proposals for such transfers should therefore be submitted to the Support Team. Transfers of provision within the classifications may be undertaken without reference to the Scottish Government, subject to any constraints on specific areas of expenditure e.g. the approved pay remit.

5.6 CS is responsible for managing its budget for each financial year to enable it to meet its statutory functions and for ensuring that expenditure does not exceed the budget limits approved by Parliament.

5.7 CS has established and will maintain appropriate financial procedures in accordance with the principles of, and restrictions within, the SPFM. It will also ensure that appropriate delegated authority, counter-fraud and anti-bribery, IT and information security, and whistle-blowing policies are in place and rigorously applied.

5.8 CS will, as requested throughout the financial year, provide to the Scottish Government Financial Management Directorate's Programme Management Division budget and monitoring information on performance and forecast outturn in relation to its budget. The monthly monitoring is the primary means of in-year budgetary control across the Scottish Government. As such bodies must comply with the format and timing of the monitoring together with any requests for further information.

Cash Management

5.9 Any [grant in aid](#) (i.e. the cash provided to CS by the Scottish Government to support the allocated budget) for the year in question must be authorised by the Scottish Parliament in the annual Budget Act. Grant in aid will normally be paid in monthly instalments on the basis of updated profiles and information on unrestricted cash reserves. Payment will not be made in advance of need, as determined by the level of unrestricted cash reserves and planned expenditure. Unrestricted cash reserves held during the course of the year should be kept to the minimum level consistent with the efficient operation of CS - and the level of funds required to meet any relevant liabilities at the year-end. Grant in aid not drawn down by the end of the financial year shall lapse. Grant in aid shall not be paid into any restricted reserve held by CS.

5.10 The banking arrangements adopted by CS must comply with the [Banking](#) section of the SPFM.

Asset and Property Management

5.11 CS shall maintain an accurate and up-to-date record of its current and non-current assets consistent with the [Property: Acquisition, Disposal & Management](#) section of the SPFM. 'Non-current' assets should be disposed of in accordance with the SPFM. The Scottish Government's Property Division should be consulted about relevant proposed disposals of property that CS holds for operational purposes (rather than investment) at the earliest opportunity so it may be advertised internally.

5.12 Any proposal to acquire land, buildings or other rights in property for accommodation / operational purposes should comply with the SPFM. Consumer Scotland is also subject to the [SG Asset Management Policy](#), including the requirement for acquisition of a new lease, continuation of an existing lease, decision not to exercise a break option in a lease or purchase of property for accommodation / operational purposes, to be approved in advance by Scottish Ministers. The Property Controls Team should be consulted as early as possible in this process.

Audit and Risk Management

5.13 CS is required to implement appropriate Audit arrangements in accordance with the SPFM. Internal Audit of CS is undertaken by the Scottish Government Internal Audit Directorate. CS is subject to external Audit by the Auditor General for Scotland (AGS) and/ or other auditors appointed by the AGS. The AGS, or examiners appointed by the AGS, may carry out examinations into the economy, efficiency and effectiveness with which Consumer Scotland has used its resources in discharging its functions. The AGS may also carry out examinations into the arrangements made by Consumer Scotland to secure Best Value. For the purpose of these examinations the examiners have a statutory right of access to documents and information held by relevant persons. In addition, Consumer Scotland shall provide, in contracts and any conditions to grants, for the AGS to exercise such access to documents held by contractors and sub-contractors and grant recipients as may be required for these examinations; and shall use its best endeavours to secure access for the AGS to any other documents required by the AGS which are held by other bodies.

5.14 CS' internal and external Audit work is overseen by its Audit and Risk Committee. The Audit and Risk Committee is chaired by a Board member (not the Chair). The Committee's membership includes the Committee Chair and at least one other Board member and may also include an independent external member. The membership of the Committee will include at least one individual with recent and relevant financial experience. The Committee's Terms of Reference are set by CS, to which the Committee reports.

5.15 The Scottish Government's Internal Audit Directorate has a right of access to all documents held by CS internal auditor, including where the service is contracted out. Scottish Government has a right of access to all CS records and personnel for any purpose.

5.16 Consumer Scotland shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of generally recognised best practice in corporate governance, and develop an approach to risk management consistent with the [Risk Management](#) section of the SPFM. Reporting arrangements should ensure that the sponsor unit is made aware of relevant risks and how they are being managed. CS audit committee is also required, at the earliest opportunity, to notify the relevant Director General Assurance meeting if it considers that it has identified a significant problem which may have wider implications.

Shared Services and Contracts

5.17 In the interests of efficiency, effectiveness and economy, CS and the Scottish Ministers are committed to identifying appropriate opportunities for shared services. Unless agreed otherwise before the next review of this Framework Agreement, the Scottish Government will provide corporate support for the following functions: Information Systems and Telephony; Estates and Facilities Management; Internal Audit; and Procurement. These corporate support functions will be kept under review, to ensure they meet the ongoing needs of CS.

5.18 The Scottish Government and CS will seek to agree individual shared service arrangements for each of the corporate functions listed, including costs, service arrangements and service standards. In line with the requirements of the SPFM, CS will enter into discussions with the Director, Energy and Climate Change before making any alternative financial or contractual arrangements for the delivery of shared corporate services.

5.19 The relevant Scottish Government officials will provide appropriate assurance to CS' Accountable Officer within the required timeline for CS audit and assurance processes and procedures.

5.20 CS will continue to have access to contracts placed by the Scottish Government - including framework agreements - for the provision of products and services. CS may, however, enter into contracts on its own behalf, if allowable under statutory responsibilities and procurement law, where Board members and the Accountable Officer consider this to be the most efficient and effective option that delivers Best Value in meeting CS' business requirements.

Organisational Security & Resilience

5.21 As part of risk management arrangements, Consumer Scotland shall ensure that it has a clear understanding at Board level of the key risks, threats and hazards it may face in the personnel, physical and cyber domains, and take action to ensure appropriate organisational resilience to those risks/threats/hazards. It should have particular regard to the following key sources of information to help guide its approach:

- a Having and Promoting Business Resilience (part of the Preparing Scotland suite of guidance)
- b The Scottish Public Sector Action Plan on Cyber Resilience and associated guidance, in particular the Cyber Resilience Framework

Counter Fraud Arrangements

5.22 Consumer Scotland should adopt and implement policies and practices to safeguard itself against fraud and theft, in accordance with the [Fraud](#) section of the SPFM. Application of these processes must be

monitored actively, supported by a fraud action plan and robust reporting arrangements. This includes the establishment of avenues to report any suspicions of fraud.

6. STRATEGY, PLANNING AND REPORTING

Forward Work Programmes

6.1 [Section 14 of the Act](#) requires that before each programme year CS must prepare and publish a forward work programme. [The Act](#) specifies that the first programme year is the first period of 12 months beginning on 1 April following the day the section 14 comes into force. Section 14 will come into force on 1 April 2022, so the first programme year begins on 1 April 2023 . For the programme year 2022/23, a work programme will be prepared in consultation with the Scottish Government Implementation Team and Citizens Advice Scotland. Any forward work programme must be laid before the Scottish Parliament.

6.2 CS' forward work programme will include key targets and milestones for the years ahead and where appropriate be linked to the Scottish National Performance Framework (NPF), and where possible, illustrate the resources allocated to specific objectives. CS will commit to providing the support unit with a copy of its business plan prior to publishing and before the start of the relevant financial year.

6.3 At the discretion of the organisation, CS may publish a longer term plan drawing together its overall strategy.

Performance Management

Independent Reviews of Performance

6.4 [Section 19 of the Act](#) requires that Consumer Scotland must, at least once in every review period, appoint a suitable individual or body to review and prepare a report on the performance of its functions during the period. The first review period will be 3 years from commencement of [section 1 of the Act](#), (i.e. 3 years from 01 April 2022) and then the review period will be every 5 years. This Section specifies some details on a Reviewer, and that the report of the Review must be published. In relation to the Reviewer, [the Act](#) states that an individual or body is suitable only if:

- a the individual or body has expertise likely to be relevant to the assessment of the performance of Consumer Scotland's functions, and
- b the individual or body is not:
 - I. a member of Consumer Scotland
 - II. disqualified from appointment such as a member by virtue of paragraph 3 of [schedule 1](#) or
 - III. a member of staff of Consumer Scotland

6.5 For the avoidance of doubt, CS will plan on the basis that its first Consumer Welfare Report will be prepared and published after the end of each reporting period. The reporting period is a period of 3 years beginning with 1 April next following the coming into the force of section 17 and then each subsequent period of 3 years. The first reporting period will end on 31 March 2026. This Agreement alongside all other published and any other relevant documents, will be available to the Reviewer to complete their work by the end of 2026.

Annual Reports and Accounts

6.6 As soon as reasonably practicable (and by 31 December) after the end of each financial year, CS will prepare an annual report on how it has carried out its statutory functions during that year, set out in [section 16 of the Act](#). The annual report will contain an outline of CS' main activities and performance. As part of the Scottish Administration, CS is subject to the accountability and audit provisions of Part 2 of the Public Finance and Accountability (Scotland) Act 2000, including the duty to prepare annual accounts. For each financial year CS will produce accounts of expenditure incurred in the fulfilment of its statutory functions. The annual accounts must be prepared in accordance with the relevant legislation and the specific Accounts Direction (including compliance with the Financial Reporting Manual (FRM)) and other relevant guidance issued by the Scottish Ministers. The annual accounts will be audited by the Auditor General for Scotland (AGS) or by auditors appointed by the AGS.

6.7 The annual report and audited accounts will be laid before the Scottish Parliament and will be published. A copy will be provided to the Scottish Ministers in advance of publication.

Reports on Investigations

6.8 [Section 15 of the Act](#) requires that CS must, as soon as reasonably practicable after the conclusion of any investigation conducted under [section 4\(2\) of the Act](#), prepare and publish a report setting out its findings, any recommendations arising out of the investigation and how, in conducting the investigation, CS has had regard to any activities carried on by specified persons and any other persons with the same functions as, or similar functions to, CS. A copy of each report will be sent to Scottish Ministers for information.

Consumer Welfare Report

6.9 [Section 17 of the Act](#) requires that CS must, as soon as reasonably practicable after the end of each reporting period, prepare and publish a report on (a) how well the interests of consumers are being served in Scotland, and (b) where harm is being caused to the interests of consumers in Scotland, the nature and extent of that harm. [The Act](#) specifies that “reporting period” means (a) the period of 3 years beginning with 1 April 2022 next following the coming into force of that section, and (b) each subsequent period of 3 years. A copy of the report must be laid before the Scottish Parliament and must also be sent to Scottish Ministers for information, in accordance with [section 17 \(4\)\(b\) of the Act](#).

Freedom of Information

6.10 CS will adopt the Model Publication Scheme November 2018 (or as revised) produced by the Scottish Information Commissioner.

7. POLICY

7.1 Under the overall strategic direction and oversight of Board members, CS will develop and implement policy in relation to any aspect of its functions and will provide guidance to staff on such policies

7.2 The Scottish Ministers will consult CS on all policy and legislative proposals which the Scottish Government is developing and which may have an operational impact on CS. The Scottish Ministers will consult CS in reasonable time to allow CS to make representations and for those representations to be fully considered before final decisions are taken or publicised.

7.3 The Scottish Ministers will also consult CS when they are engaged with the United Kingdom Government in relation to policy or legislation that may have an operational impact on CS.

7.4 Scottish Ministers and CS will be guided by a shared commitment to the aim of good and effective communications, in order to ensure that consumer policy is informed by a good shared understanding.

7.5 CS will, in carrying out its functions, establish and maintain close working relationships with partners and stakeholders.

8. REVIEW AND PUBLICATION

8.1 This Framework Agreement will be reviewed in consultation with the Scottish Ministers at least every three years.

8.2 It may be reviewed at any other time if either the Scottish Ministers or CS so wish, on the basis of arrangements that they will agree in writing at that time. Any proposals to amend the Framework Agreement either by the Scottish Government or CS will be taken forward in consultation.

8.3 Copies of this Framework Agreement and of any subsequent editions following amendment, will be published on CS' website. The Framework Agreement will form part of CS' publication scheme under the Freedom of Information (Scotland) Act 2002 provisions.

9. ANNEX A: FINANCIAL MANAGEMENT – DETAILED

Specific financial provisions

Many of the provisions included in this section - and other sections - of the Framework Agreement highlight specific requirements in the SPFM that are considered of particular relevance to CS. It should be noted however that guidance in the SPFM should always be considered in its entirety as and when relevant issues arise

Income generation

CS shall seek to optimise income - grant in aid does not qualify as income - from all sources, and ensure that the Scottish Government is kept informed. Novel or contentious proposals for new sources of income or methods of fundraising must be approved by the Scottish Government. Fees or charges for any services supplied by CS shall be determined in accordance with the [Fees & Charges](#) section of the SPFM.

Gifts, bequests or donations received by CS score as income and should be provided for in the agreed resource DEL and capital DEL budgets, updated as necessary in consultation with the Scottish Government. However, CS should be able to demonstrate that expenditure funded by gifts etc is additional to expenditure normally supported by grant in aid (i.e. Scottish Government core funding) or by trading and other income. Before accepting such gifts etc CS shall consider if there are any associated costs in doing so or any conflicts of interests arising. CS shall keep a written record of any such gifts etc and what happened to them.

If the trading and other resource income realised (including profit or loss on disposal of non-current assets) – scored as negative RDEL, or the net book value of disposals of non-current assets – scored as negative CDEL is less than included in CS agreed budget CS shall, unless otherwise agreed with the Scottish Government, ensure a corresponding reduction in its gross expenditure. (The extent to which CS exceeds agreed budgets shall normally be met by a corresponding reduction in the budgets for the following financial year.) If income realised is **more** than included in the agreed budgets CS must consult and obtain the prior approval of the Scottish Government before using any excess to fund additional expenditure or to meet existing pressures. Failure to obtain prior approval for the use of excess income to fund additional expenditure may result in corresponding reductions in budgets for the following financial year. The only exception is where the income is from gifts, bequests and donations but this must be spent within the same financial year as the receipt, otherwise additional budget allocation will be required. In any event, income from all sources and all planned expenditure should be reflected in the monthly budget monitoring statement.

Financial investments

Unless covered by a specific delegated authority CS shall not make any financial investments without the prior approval of the Scottish Government. That would include equity shares in ventures which further the objectives of CS. CS shall not invest in any venture of a speculative nature.

Borrowing

Borrowing cannot be used to increase CS' spending power. All borrowing by CS - excluding agreed overdrafts - shall be from the Scottish Ministers in accordance with guidance in the [Borrowing, Lending & Investment](#) section of the SPFM.

Lease arrangements

Unless covered by a specific delegated authority CS shall not enter into any finance, property or accommodation related lease arrangement – including the extension of an existing lease or the non-exercise of a tenant's lease break - without the Scottish Government's prior approval. Before entering / continuing such arrangements CS must be able to demonstrate that the lease offers better value for money than purchase and that all options of sharing existing public sector space have been explored. Non-property / accommodation related operating leases are subject to a specific delegated authority. CS must have capital DEL provision for finance leases and other transactions which are in substance borrowing.

Tax arrangements

Non-standard tax management arrangements should always be regarded as novel and/or contentious and must therefore be approved in advance by the Scottish Government. Relevant guidance is provided in the [Tax Planning and Tax Avoidance](#) section of the SPFM. CS must comply with all relevant rules on taxation, including VAT. All individuals who would qualify as employees for tax purposes should be paid through the payroll system with tax deducted at source. It is the responsibility of CS to observe VAT legislation and recover input tax where it is entitled to do so. The implications of VAT in relation to procurement and shared services should be considered at an early stage to ensure that financial efficiency is achieved. CS must also ensure that it accounts properly for any output tax on sales or disposals.

Settlement, severance, early retirement and redundancy

CS shall seek to deliver, and demonstrate, robust governance processes, best practice and value for money when developing and implementing a severance scheme or when developing a settlement agreement, in compliance with current policy, observing all policy limits as set out in the [Settlement, severance, early retirement, redundancy section](#) of the SPFM.

Lending and guarantees

Any lending by CS must adhere to the guidance in the [Borrowing, Lending & Investment](#) section of the SPFM on undertaking due diligence and seeking to establish a security. Unless covered by a specific delegated limit CS shall not, without the Scottish Government's prior approval, lend money, charge any asset, give any guarantee or indemnity or letter of comfort, or incur any other contingent liability (as defined in the [Contingent Liabilities](#) section of the SPFM), whether or not in a legally binding form. Guarantees, indemnities and letters of comfort of a standard type given in the normal course of business are excluded from this requirement.

Third party grants

Consumer Scotland may make grants and loans to such persons as it considers appropriate for the purposes of, or in connection with, or where it appears to be otherwise conducive to, the performance of its functions. Any such grant or loan will be subject to such conditions (including conditions as to repayment) as Consumer Scotland determine. Such funding would be subject to the guidance in the [Subsidy Control](#) section of the SPFM. Guidance on a framework for the control of third party grants is provided as an annex to the [Grant & Grant in Aid](#) section of the SPFM.

Impairments, provisions and write-offs

Assets should be recorded on the balance sheet at the appropriate valuation basis in accordance with the FReM. Where an asset - and that includes investments - suffers impairment it is important that the prospective impairment and background is communicated to the Scottish Government at the earliest possible point in the financial year to determine the implications for CS' budget. Similarly any significant movement in existing provisions or the creation of new provisions should be discussed in advance with the Scottish Government. Write-off of bad debt and/or losses scores against CS' resource DEL budget classification and is subject to a specific delegated limit.

Insurance

CS is subject to the Scottish Government policy of self-insurance. Commercial insurance must however be taken out where there is a legal requirement to do so and may also be taken out in the circumstances

described in the [Insurance](#) section of the SPFM - where required with the prior approval of the Scottish Government. In the event of uninsured losses being incurred the Scottish Government shall consider, on a case by case basis, whether or not it should make any additional resources available to CS. The Scottish Government will provide CS with a Certificate of Exemption for Employer's Liability Insurance.

Procurement and payment

CS' procurement policies shall reflect relevant guidance in the [Procurement](#) section of the SPFM and relevant guidance issued by the Scottish Government's Procurement and Commercial Directorate. Procurement should be undertaken by appropriately trained and authorised staff and treated as a key component of achieving CS' objectives consistent with the principles of [Best Value](#), the highest professional standards and any legal requirements. All external consultancy contracts over the value of £100,000 or any proposal to award a contract without competition (non-competitive action) over the value of £100,000 must be endorsed in advance by the Chief Executive.

Any major investment programmes or projects undertaken by CS shall be subject to the guidance in the [Major Investment Projects](#) section of the SPFM [and is also subject to a specific delegated authority]. The support unit must be kept informed of progress on such programmes and projects and Ministers must be alerted to any developments that could undermine their viability. ICT investment plans must be reported to the Scottish Government's Office of the Chief Information Officer.

CS shall pay all matured and properly authorised invoices relating to transactions with suppliers in accordance with the [Expenditure and Payments](#) section of the SPFM and in doing so shall seek wherever possible and appropriate to meet the Scottish Government's target for the payment of invoices within 10 working days of their receipt.

Gifts made, special payments and losses

Unless covered by a specific delegated authority CS shall not, without the Scottish Government's prior approval, make gifts or special payments or write-off of losses. Special payments and losses are subject the guidance in the [Losses and Special Payments](#) section of the SPFM. Gifts by management to staff are subject to the guidance in the [Non-Salary Rewards](#) section of the SPFM.

Clawback

Where CS has financed expenditure on assets by a third party, CS shall make appropriate arrangements to ensure that any such assets above an agreed value are not disposed of by the third party without CS' prior consent. CS shall put in place arrangements sufficient to secure the repayment of its due share of the proceeds - or an appropriate proportion of them if CS contributed less than the whole cost of acquisition or improvement. CS shall also ensure that if assets financed by CS cease to be used by the third party for the intended purpose an appropriate proportion of the value of the asset shall be repaid to CS.

Subsidy Control

The EU State aid regime was effectively revoked from UK law from 1 January 2021 and therefore ceased to apply in Scotland and the rest of the UK. An interim Subsidy Control regime was introduced by the UK Government on 1 January 2021 with provisions held within the EU-UK Trade and Cooperation Agreement (TCA). Alongside this, consideration has to be given to any further UK Subsidy Control obligations such as World Trade Organisation membership and commitments arising from international treaties and Fair Trade Agreements to which the United Kingdom is a party. This position may be subject to change following the UK Government establishing a permanent domestic Subsidy Control regime. To this effect, the UK

Government introduced a Bill on Subsidy Control to Parliament on 30 June 2021, alongside publication of the UKG response to the recent Consultation on Subsidy Control: Designing a new approach for the UK. Currently any activity that CS undertakes itself, or funds other bodies to undertake, that can be offered on a commercial market for goods and services is subject to the TCA subsidy rules. A full assessment is therefore required prior to disbursing any funding and would be subject to the guidance in the [subsidy regime section](#) of the SPFM.