

**CONSUMER SCOTLAND
GOVERNANCE BOARD MEETING**

Tuesday 13 June
12:30-1530
By MS Teams

Minute

Board Members present:

David Wilson, Chair
Nick Martin, Member (NM)
Angela Morgan, Member (AM)
James Walker, Member (JW)

Also in attendance:

Sam Ghibaldan, Chief Executive
Sue Bomphray, Director of Operations
David Eiser, Director of Research and Analysis
Douglas White, Director of Policy and Advocacy
Sarah O'Neill, Consumer Duty Programme Lead
Andrew Faulk, Energy Policy Manager
Polly Mazurkiewicz (secretariat)

Apologies:

None

Welcome and Declaration of Interest

1. The Chair welcomed everyone to the meeting and invited members to declare any interests.
2. NM declared an interest relating to paragraph 47 of the Chief Executive's Report, which alerted members to Consumer Scotland's anticipated response to the Digital Markets, Competition and Consumer Bill. NM is a director of a company which will be impacted by the bill.
3. The interest was noted, and it was agreed that no further action was required by NM or the Board.

Minutes from the Previous Meeting

4. The Board approved the minutes of the previous Board meeting held on 16 May.
5. The Board noted the approved minutes of the Audit and Risk Committee held on 14 March.

Action Tracker

6. The Director of Operations updated members on the outstanding actions in the action tracker, noting they had been progressed or dates for them had been scheduled.
7. The Chair updated members on the appointment of a 5th Board member by the Scottish Government, noting that the public appointment process was progressing without concern or difficulties.
8. The Chair provide an update on the ongoing discussions about Consumer Scotland's Edinburgh accommodation business case. A paper summarising the Board's position would be circulated with members.

UK Legislation Conferring Functions on (or otherwise affecting) Consumer Scotland

9. The Chair introduced the paper on the wider legislative frameworks relevant to Consumer Scotland and invited programme lead Sarah O'Neill, the paper's author, to present the item.
10. The programme lead provided an overview of the complex legal landscape within which Consumer Scotland operates, highlighting the functions set out under the Consumer Scotland Act 2020, the functions transferred either from, or to be managed alongside, other consumer bodies. These mainly related to amendments to reserved legislation in 2022.
11. The Board considered Consumer Scotland's approach to some of the powers, and its handling of the powers alongside other bodies. The Chair summarised the discussion and agreed the next steps proposed:
 - a. The paper's articulation of the roles and responsibilities of consumer organisations was helpful.
 - b. Where powers or duties were shared with other organisations, a shared understanding of the legislation should be sought. A constructive partnership approach between organisations should be taken to agree how relevant duties or responsibilities will be managed, with MOUs reviewed or amended if necessary.
 - c. Work should be taken forward at a considered pace.
12. The programme lead thanked the Board for their feedback and left the meeting.

Chief Executive's Report

13. The Chief Executive presented his quarterly report to the Board, noting that there had been a significant increase in activity across Consumer Scotland.

14. Recent work in the organisation included an appearance at the Economy and Fair Work Committee at the Scottish Parliament, a meeting of the Consumer Network, work on Consumer Scotland's submission to the Scottish Government's National Performance Framework consultation, and a response to the Scottish Government's Draft Energy Strategy and Just Transition Plan consultation.
15. Work had also progressed with the provision of evidence to the Economy and Fair Work Committee on Royal Mail, and publication of the Disability Report. The Head of Policy and Markets was also giving evidence to the House of Commons on the Digital Markets, Competition and Consumers Bill at the same time as the Board meeting.
16. Consumer Scotland had submitted a report to the First Minister on behalf of the Scottish Energy Insights Coordination Group (SEIC), and the organisation had upcoming stakeholder engagements with the Ofgem Board and CMA. In short, the organisation's level of outputs and external engagement were increasing, reflecting the ongoing development of the organisation.
17. The Board discussed Consumer Scotland's first appearance in front of the Economy and Fair Work Committee. Thanks were expressed to the Head of Communications for the coordination and support provided in briefing the Executive Team and Chair.
18. Members asked the Chief Executive for reflections on Consumer Scotland's grant to Trading Standards Scotland for its Shut out Scammers campaign. It was noted that this was Consumer Scotland's first experience of making a discretionary grant. The process had been straightforward, and the campaign had been very well received. There would be subsequent discussions on whether Consumer Scotland might become engaged in the scams activity previously carried out by the Scottish Government.
19. The Board reflected that it had been a successful piece of work.
20. The Board discussed the level of activity and evolution of the Chief Executive's report. It was commented that as the organisation progressed, the update was evolving from reporting on inputs, to impact, KPIs and outputs. The Chair reflected on the Board's comments, noting that the report would continue to evolve over time, providing a broader business update, and the Chief Executive's critical reflection on key and strategic points.

Audit and Risk

21. The Director of Operations reported that the Audit and Risk Committee had met earlier highlighting that:
 - a. The internal audit progress report was discussed and agreed

- b. The SGDIAA's Annual Review and Assurance Report was shared, which gave reasonable assurance, and work was in hand with Consumer Scotland staff to work on strengthening controls and monitoring.
22. The Director of Operations presented the strategic risk report and register to the Board. Comments and actions discussed at the preceding Audit and Risk Committee had been noted and actions would be considered by the Executive Team. Further comments were invited from the Board.
23. Members commented on the role of the Audit and Risk Committee versus the Board considering the overlap of membership. It was collectively understood that the Audit and Risk Committee monitors risk processes, and risks for the organisation, and provides assurance to the Board. The Board's responsibility was to assess the risks and seek additional action where deemed necessary.
24. The Board discussed the perceived diversity of the Executive Team and the Board as a risk and requested more explicit reference in the risk register, along with systematic documentation and sharing of actions, and a commitment to diversity moving forward.
25. The Director of Operations thanked members for their feedback. Regarding the role of the ARC and Board, a statement on escalation would be considered in the narrative when risks were escalated from the Executive Team, to the ARC, to the Board.
26. The Chair of the Audit and Risk Committee reported that the Audit and Risk Committee was content that risk was being managed appropriately and could give the annual assurance required by the Board.

Current Year accounts

27. The Director of Operations presented the current year accounts to the Board, noting it had been presented in a new trial format, to aid members.
28. Current financial reporting was being done on a manual and proactive basis, which was a difficult and manually intensive exercise. Consumer Scotland was working to implement the Scottish Government's new finance system in the next financial year which would provide better reporting.
29. The Board expressed their thanks to the Director of Operations and her team for the work to date on accounts.

Draft Annual Report and Accounts

30. The Chair invited NM to provide an update on Consumer Scotland's draft annual report and accounts.

31. Good progress was being made and the Board thanked the team for its hard work.

Whistleblowing Policy

32. The Chair introduced the Whistleblowing policy. It was noted that the policy had been scrutinised by the preceding Audit and Risk Committee, and that subject to comments raised and actions agreed at the meeting, the Board approved the policy.

Business Continuity Policy

33. The Chair introduced the Business Continuity policy, noting a positive discussion at the preceding Audit and Risk Committee.

34. The Board reiterated the need to think the unthinkable and be prepared for multiple disruptions to business when finalising the policy.

35. Building on comments received at the preceding meeting, the Board approved the policy.

Audit and Risk Committee Terms of Reference

36. The Chair introduced the review of the Audit and Risk Committee's terms of reference.

37. The Board agreed steps to formalise the terms of reference.

Holding Board Meetings in Public

38. The Director of Operations advised members of the Government guidance that public sector Boards should consider holding one meeting per year open to the public, or held in a public space.

39. It was proposed to continue with the scheduled arrangements for Board meetings for the next financial year, and an **action** was taken to develop a proposal which would increase public awareness of the Consumer Scotland Board for the next financial year. It was not necessarily proposed to simply hold a regular Board meeting in public, but to develop an event which would add value and improve public awareness of the organisation. The Board were invited to comment.

40. The Board agreed that:

- a. Given our profile as an organisation, hosting a Board meeting in public would be unlikely to offer value. A proposal which focused initially on public awareness was the preferred way forward.

- b. It was important to consider members of the public who might be seeking advice on individual consumer matters. An event held in partnership with bodies engaged in giving direct advice to the public may therefore be of value.
- c. Inviting a panel of subject experts could also align with a partnership approach, and generate audience, as could framing the event around themes of interest.
- d. An event could be timed to coincide with key milestones, such as to inform the annual work programme.
- e. Therefore a “Meet the Board” or consultation event should be considered initially, with an AGM-style public meeting in the longer term.

41. The Board approved the paper’s recommendations.

Letter to public bodies – Single Scottish Estate Strategy

42. The Director of Operations updated the board on a ministerial letter highlighting the Scottish Government’s new strategy for best utilising the public sector estate.

43. The letter had been shared in the context of Consumer Scotland considering its own approach to relocating its Edinburgh office accommodation. A paper materialising the Board’s views on accommodation was being prepared and would be shared shortly.

44. The Board noted the letter.

Energy Consumers Committee Update

45. The Energy Policy Manager joined the meeting.

46. The Chief Executive updated members on the work to date on the Energy Consumer Committee (ECC). Previously, Consumer Scotland had taken on responsibility for the ECC from the Scottish Government. The intention had initially been to run the group as an expert advisory committee reporting to the Consumer Scotland Board. The ECC’s initial remit and terms of appointment were coming to an end in July and a number of options had been considered.

47. Consumer Scotland had recently concluded its running of the Scottish Energy Insights Commission (SEIC), a collective decision making group of key energy stakeholders chaired by Lewis Shand Smith, and reflected that SEIC had worked well and increased partnership working in the sector. It was proposed therefore that the remit ECC should not be renewed, but that a new arms-length group of organisations involved in directly providing information and advice should be established. The Chief Executive invited the Energy Policy Manager to present a paper on this proposal.

48. The Energy Policy Manager took board members through the strengths of the SEIC, noting that with a secretariat provided by Consumer Scotland it had been well received by partners as a positive group with a clear purpose, remit and vision, with a direct influence on policy making. The strengths of this could continue if a similar approach was taken with a new group.

49. The Board commented that

- a. This was a positive proposal, with the potential for positive impact.
- b. The group membership would have a perceived importance and influence.
- c. The value of such a mechanism is valid, even if measuring impact was difficult.
- d. The transition of membership from the current ECC to any new group would need to be carefully managed.

50. The Board approved the way forward and the Energy Policy Manager took an **action** to prepare a detailed Terms of Reference which would be circulated to the Board.

51. The Energy Policy Manager thanked the Board for their input and left the meeting.

Consumers in Vulnerable Circumstances Committee Update

52. AM updated members on progress with the Consumers in Vulnerable Circumstances Committee (CiVCC).

53. The group was formally agreed as an advisory committee to the Consumer Scotland Board, and the first meeting had been set for August, which would be reviewing the previously commissioned research on consumers in vulnerable circumstances, and on disability. It was noted that the group was off to a positive start with strong links to other areas of activity across the organisation.

54. The Director of Policy and Advocacy updated the Board on membership to the group, noting that 5 members had formally accepted a place on the committee and others were in train. Work to close off the preceding short life working group, and to arrange formal appointment to the new committee, was in hand.

55. The Chair thanked AM and the Director of Policy and Advocacy for their updates, noting the distinctions between the newly agreed energy group and the CiVCC.

New Legislation on Legal Regulation

56. The Director of Policy and Advocacy advised the Board on new legislation being brought to the Scottish Parliament, which will bring in changes to how the legal profession in Scotland is regulated. It was noted that there are a number of provisions in the bill that are helpful for consumers. The bill includes

a provision that allows Scottish Ministers to review the performance of a regulator in the legal market. Consumer Scotland was named in the bill, which would put an onus on Consumer Scotland to make referrals to Scottish Ministers.

57. The Board discussed the proposed additional statutory role for Consumer Scotland, noting that this was a responsibility which would need considerable expertise and resourcing in order to provide the appropriate level of rigour in generating an evidence base and to make meaningful contributions.

58. Given this, full cost recovery would be required and a clear statement to this effect in the government's Financial Memorandum to the Bill would be preferable. It was noted that this was not currently included.

59. The Chair summarised discussions and it was agreed the appropriate Consumer Scotland representative should write to the Scottish Government on the matter. It was agreed that the Board would return to this conversation to be clear on strategy.

AOB

60. The Chair noted that there were three papers included for information, including the final version of the Board Handbook.

61. It was commented that updates would be necessary to the handbook over time.

62. Members requested bound copies of the Handbook and of the legislation discussed in paper 3.1, and an **action** was taken by secretariat to circulate.

63. It was agreed to host an information session with the Board on Information Management and GDPR and an **action** was taken to bring this to a future meeting. JW offered to support the session given his GDPR expertise.

64. There being no other business, the meeting ended.