

# SCOTTISH GOVERNMENT/ROYAL BOTANIC GARDEN EDINBURGH

## FRAMEWORK DOCUMENT - 2014

### Introduction

1. This framework document has been drawn up by the Scottish Government (SG) in consultation with the Royal Botanic Garden Edinburgh (RBGE). It sets out the broad framework within which RBGE will operate and defines key roles and responsibilities which underpin the relationship between RBGE and the SG. While this document does not confer any legal powers or responsibilities, it forms a key part of the accountability and governance framework and should be reviewed and updated as necessary, and at least every 2-3 years. Any proposals to amend the framework document either by the SG or RBGE will be taken forward in consultation and in the light of SG priorities and policy aims. Any question regarding the interpretation of the document shall be determined by the SG after consultation with RBGE. Legislative provisions shall take precedence over any part of the document.
2. References to RBGE include any subsidiaries and joint ventures owned or controlled by RBGE. RBGE shall not establish subsidiaries or enter into joint ventures without the express approval of the SG.
3. Copies of the document shall be placed in the Scottish Parliament Reference Centre. It shall also be published on the SG and RBGE websites.

### Purpose

4. RBGE is to contribute to the achievement of the SG's primary purpose of focussing government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth by aligning its aims and objectives with the SG's published Economic Strategy and National Performance Framework.
5. The National Heritage (Scotland) Act 1985 gives the RBGE the following:  
functions:
  - to carry out investigation and research into the science of plants and related subjects, and to disseminate the results of the investigation and research;
  - to maintain and develop collections of living plants and preserved plant material, books, archives and other related objects;

- to keep the collections as national reference collections, and to ensure that they are available for the purposes of study;
- to provide advice, information and education, in any manner which seems appropriate in relation to any aspect of the science of plants or of any related subject;
- to provide other services (including quarantine) relevant to plant material; and
- to afford members of the public opportunities to enter any land occupied or managed by the Board for the purpose of gaining knowledge and enjoyment from the Board's collections.

duties:

- the Board must report at least tri-annually on the discharge of its duties under the Act. In practice, it reports to the Scottish Parliament annually through publication of the Annual Report. The Board is also required to lay its accounts annually before the Scottish Parliament by 31 December each year.

powers:

- subject to the provisions of the Act, the Board may do anything for the purpose of discharging their functions. This includes establishing trusts, and, with the consent of the Scottish Ministers, where the RBGE does not or already have delegated authority to do so, entering into contracts or agreements (including for the acquisition or disposal of land) to make grants and to invest and borrow money;
- with the consent of the Scottish Ministers the Board may form bodies corporate, the main object of which is to promote any of the general functions of the Board. The Board may hold interests in any company which it forms, and may provide financial or other assistance to it;
- Scottish Ministers may direct the Board to exercise appropriate functions on their behalf. The Chairman must ensure that the Board operates within the limits of its statutory authority, and any delegated authority agreed with the Scottish Government, and in accordance with any guidance issued by the Scottish Government and any other conditions relating to the use of public funds.

6. The RBGE's purpose, strategic aims and objectives, as agreed by the Scottish Ministers, are:

- Maintaining and developing its internationally important collections
- Delivering world leading research in plant biodiversity science
- Providing learning and training in horticulture, biodiversity science and conservation
- Offering a first class visitor attraction

7. The Scottish Government, in consultation with the Board, determines the RBGE's performance framework in the light of the Scottish Minister's wider strategic aims. The RBGE's objectives and key targets shall be agreed within the RBGE's corporate planning

process (Section 30) and should take full account of the Scottish Ministers' Spending Review targets and priorities.

## Relationship between Scottish Government and RBGE

8. Effective strategic engagement between the SG and RBGE is essential in order that they work together as effectively as possible to maintain and improve public services and deliver improved outcomes. Both the SG and RBGE will take all necessary steps to ensure that their relationship is developed and supported in line with the jointly agreed principles set out in the statement on ["Strategic Engagement between the Scottish Government and Scotland's NDPBs"](#)
9. As part of this engagement, the SG Sponsor Team, the Rural and Environment Science and Analytical Services Division (RESAS) and RBGE will meet three times a year to discuss the Corporate Plan and other relevant issues while RBGE will provide RESAS with all Board Minutes and Papers for information. RBGE should provide the Scottish Ministers with prompt access to any information they may reasonably require to ensure appropriate monitoring of performance and budget allocation. RBGE will also keep RESAS informed of any major announcements and alert them in advance of any planned news releases which are relevant to the SG.

## Governance and accountability

### Legal origins of powers and duties

10. The RBGE is established under The National Heritage (Scotland) Act 1985 as a body corporate under the direction of a Board of Trustees. The constitution of RBGE is set out in Part II, Section 11 of the Act. The RBGE does not carry out its functions on behalf of the Crown.

### Ministerial responsibilities

11. The Scottish Ministers are ultimately accountable to the Scottish Parliament for the activities of RBGE and its use of resources. They are not however responsible for day to day operational matters. Their responsibilities include:
  - agreeing RBGE's strategic aims and objectives and key targets as part of the corporate planning process. The Corporate Plan should be the subject of formal Ministerial approval at least every 5 years or where significant change to aims and objectives is proposed.
  - agreeing the budget and the associated grant in aid requirement to be paid to the RBGE, and securing the necessary Parliamentary approval;
  - carrying out those responsibilities specified in the National Heritage (Scotland) Act 1985 such as appointments and reappointments to the RBGE's Board, approving the terms and

conditions of Board members, and recommending the appointment of the Regius Keeper;  
and

- other matters such as approving the RBGE's pay remit and laying the accounts (together with the annual report) before the Parliament.

## RBGE Board Responsibilities

12. The RBGE Board, including the Chair, normally consists of Trustees appointed by the Scottish Ministers in line with the Code of Practice for Ministerial Public Appointments in Scotland. The National Heritage (Scotland) Act 1985 states that the Board shall consist of not less than 5 and not more than 9 members. A trustee or chairman shall hold and vacate office in accordance with the terms of his appointment. Each appointment or re-appointment term normally lasts for a period of up to 4 years but no trustee shall be appointed or re-appointed for a period of more than 5 years. The role of the Board is to provide leadership, direction, support and guidance to ensure the Body delivers and is committed to delivering its functions effectively and efficiently and in accordance with the aims, policies and priorities of the Scottish Ministers. It has corporate responsibility, under the leadership of the Chair, for the following:

- taking forward the strategic aims and objectives for the body agreed by the Scottish Ministers, (as outlined under Ministerial responsibilities at point 11);
- determining the steps needed to deal with changes which are likely to impact on the strategic aims and objectives of RBGE or on the attainability of its operational targets;
- promoting the efficient, economic and effective use of staff and other resources by RBGE consistent with the principles of [Best Value](#), including, where appropriate, participation in [shared services](#) arrangements and ensuring that effective arrangements are in place so that RBGE acts corporately in accordance with the priorities set out in the Scottish Government's statement of corporate expectations;
- ensuring that effective arrangements are in place to provide assurance on risk management, governance and internal control. In Accordance with the [Audit Committees](#) section of the SPFM, the Board must set up an audit committee Chaired by a non-executive member to provide independent advice and assurance on the effectiveness of the internal control and risk management systems;
- (in reaching decisions) taking into account relevant guidance issued by the Scottish Ministers;
- ensuring that the Board receives and reviews regular financial information concerning the management and performance of RBGE and is informed in a timely manner about any concerns regarding the activities of RBGE;
- selecting, a Regius Keeper to be appointed by Her Majesty on the recommendation of the Scottish Ministers and, in consultation with the SG, set appropriate performance objectives and remuneration terms linked to these objectives which give due weight to the proper

management and use of resources within the stewardship of the RBGE and the delivery of outcomes; and

- demonstrating high standards of corporate governance at all times, including openness and transparency in its decision making.
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13. Further guidance on how the Board should discharge its duties is provided in appointment letters and in 'On Board- A guide for Board Members of Public Bodies in Scotland'.

## The Chair's Responsibilities

14. The Chair is accountable to the Scottish Ministers and, in common with any individual with responsibility for devolved functions, may also be held to account by the Scottish Parliament. Communications between the RBGE Board and the Scottish Ministers should normally be through the Chair. He or she is responsible for ensuring that the RBGE's policies and actions support the Scottish Ministers' wider strategic policies and that its affairs are conducted with probity.
15. In leading the Board the Chair must ensure that:
- the work of the Board is subject to regular self-assessment and that the Board is working effectively;
  - the Board has a balance of skills appropriate to directing RBGE business, in accordance with recognised good practice in corporate governance;
  - the Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
  - he or she, together with the other Board members, receives appropriate induction training, including on financial management and reporting requirements and, as appropriate, on any differences that may exist between private and public sector practice;
  - the Scottish Ministers are advised of RBGE needs when Board vacancies arise;
  - there is a code of conduct for Board members in place, approved by the Scottish Ministers.
16. 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 Regius Keeper.

## Individual Board Members' Responsibilities

17. 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 the RBGE 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 the RBGE by the Scottish Ministers but also any other funds falling within the stewardship of the RBGE, 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 [On Board: A Guide for Board Members of Public Bodies in Scotland](#).

## RBGE Regius Keeper responsibilities

18. The Regius Keeper of the RBGE is employed by the Board and appointed by Her Majesty on the recommendation of the Scottish Ministers. He/she is the Board's principal adviser on the discharge of its functions and is accountable to the Board. His/her role is to provide operational leadership to the RBGE and ensure that the Board's aims and objectives are met and the RBGE's functions are delivered and targets met through effective and properly controlled executive action. His/her general responsibilities include the performance, management and staffing of the RBGE. General guidance on the role and responsibilities of the Regius Keeper is contained in 'On Board.' Specific responsibilities to the Board include:

- advising the Board on the discharge of its responsibilities - as set out in this document, in the founding legislation and in any other relevant instructions and guidance issued by or on behalf of the Scottish Ministers - and implementing the decisions of the Board;
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that appropriate financial appraisal and evaluation techniques, consistent with the [Appraisal and Evaluation](#) section of the [Scottish Public Finance Manual](#) (SPFM), are followed;
- ensuring that the RBGE adheres, where appropriate, to the SG's [Programme and Project Management Principles](#);
- having robust performance and risk management arrangements - consistent with the [Risk Management](#) section of the SPFM - in place that support the achievement of the RBGE's aims and objectives and that facilitate comprehensive reporting to the Board, the SG and the wider public;
- ensuring that adequate systems of internal control are maintained by the RBGE, including effective measures against fraud and theft consistent with the [Fraud](#) section of the SPFM;
- establishing appropriate documented internal delegated authority arrangements consistent with the [Delegated Authority](#) section of the SPFM;
- advising the Board on the performance of the RBGE compared with its aim[s] and objectives;
- preparing the RBGE's corporate and business plans, in the light of the strategic aims and objectives agreed by the Scottish Ministers;

- ensuring effective relationships with SG officials;
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the SG; that the SG 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 SG in a timely fashion; and
- ensuring the RBGE complies with the Code of Practice on Access to Scottish Government Information and on the release of information to the public to operate within the terms of the Freedom of Information (Scotland) Act 2002 and the Data Protection Act 1998.
- ensuring the RBGE complies with The Climate Change (Scotland) Act 2009 as a public body under section 3(1)(a) of the Freedom of Information (Scotland) Act 2002 (asp 13).
- ensuring the RBGE complies, as appropriate, with the Re-Use of Public Sector Information Regulations 2005, which requires public bodies to make available to the public a list of main documents available for re-use.

## RBGE Accountable Officer responsibilities

19. The Principal Accountable Officer for the Scottish Administration (the Permanent Secretary of the SG) will designate the Regius Keeper as the Accountable Officer for the RBGE. 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](#). These include:
- ensuring the propriety and regularity of the RBGE's finances and that there are sound and effective arrangements for internal control and risk management;
  - ensuring that the resources of the RBGE are used economically, efficiently and effectively and that appropriate arrangements are in place to secure Best Value;
  - ensuring compliance with relevant guidance issued by the Scottish Ministers, in particular the SPFM;
  - signing the annual accounts and associated governance statements; and
  - a statutory duty to obtain written authority from the Board / Chair before taking any action which he/she considered would be inconsistent with the proper performance of the Accountable Officer functions.
20. It is incumbent on the Regius Keeper to combine his/her Accountable Officer responsibilities to the Scottish Parliament with his/her wider responsibilities to the Board. The Board / Chair should be fully aware of, and have regard to, the Accountable Officer responsibilities placed upon the Regius Keeper, including the statutory duty described above.

## Portfolio Accountable Officer responsibilities

21. The Principal Accountable Officer for the Scottish Administration will designate the Director-General for Enterprise, Environment & Innovation as the Accountable Officer for the SG portfolio budget for the RBGE. Withdrawal of the Accountable Officer designation would also be a matter for the Principal Accountable Officer. The responsibilities of a Portfolio Accountable Officer are set out in detail in the [Memorandum to Accountable Officers for Parts of the Scottish Administration](#). He/she is personally answerable to the Scottish Parliament for ensuring that:

- the financial and other management controls applied by the SG are appropriate and sufficient to safeguard public funds and, more generally that those being applied by the RBGE conform to the requirements both of propriety and of good financial management;
- the key roles and responsibilities which underpin the relationship between the SG and the RBGE are set out in a framework document - and that this document is regularly reviewed;
- effective relationships are in place at Director and Deputy-Director level between the SG and the RBGE in accordance with the strategic engagement principles; and
- there is effective continuous assessment and appraisal of the performance of the Chair of the RBGE, in line with the requirements of the Code of Practice for Ministerial Public Appointments in Scotland.

## Scottish Government Director and Deputy Director

22. The Director for Environment and Forestry and the Deputy Director for Rural and Environment Science and Analytical Services Division (RESAS) have responsibility for overseeing and ensuring effective relationships between the SG and RBGE which support alignment of the RBGE's business to the SG's Purpose and National Outcomes and high performance by the RBGE. They will work closely with the RBGE Regius Keeper and be answerable to the Portfolio Accountable Officer for maintaining and developing positive relationships with RBGE characterised by openness, trust, respect and mutual support. They will be supported by a sponsor unit in discharging these functions. The Director shall be responsible for assessing the performance of the RBGE Chair, at least annually.

## Sponsor unit responsibilities

23. The SG sponsor unit for the RBGE is RESAS. It is the normal point of contact for the RBGE in dealing with the SG. RESAS, under the direction of the Deputy Director, is the primary source of advice to the Scottish Ministers on the discharge of their responsibilities in respect of the RBGE and undertakes the responsibilities of the Portfolio Accountable Officer on his/her behalf. Specific responsibilities include:

- discharging sponsorship responsibilities in line with the principles and framework set out in the document 'Strategic Engagement between the Scottish Government and Scotland's NDPBs' and ensuring that sponsorship is suitably flexible, proportionate and responsive to the needs of the Scottish Ministers and the RBGE;



- ensuring that appointments to the RBGE Board are made timeously and, where appropriate, in accordance with the Code of Practice for Ministerial Appointments to Public Bodies in Scotland;
- proportionate monitoring of the RBGE's activities through an adequate and timely flow of appropriate information, agreed with the RBGE, on performance, budgeting, control and risk management;
- addressing in a timely manner any significant problems arising in RBGE, alerting the Portfolio Accountable Officer and the responsible Minister(s) where considered appropriate;
- ensuring that the objectives of the RBGE and the risks to them are properly and appropriately taken into account in the SG's risk assessment and management systems; and
- informing the RBGE of relevant SG policy in a timely manner.

## Internal audit

24. The RBGE shall:

- establish and maintain arrangements for internal audit in accordance with [Public Sector Internal Audit Standards](#) (PSIAS) and the [Internal Audit](#) section of the SPFM;
- set up an audit committee of its Board, in accordance with the [Audit Committees](#) section of the SPFM, to advise both the Board and the Regius Keeper in his/her capacity as the RBGE Accountable Officer;
- forward promptly to the SG the audit charter, strategy, periodic audit plans and annual audit assurance report, including the RBGE Head of Internal Audit opinion on risk management, control and governance and other relevant reports as requested; and
- keep records of, and prepare and forward promptly to the SG an annual report on fraud and theft suffered by the RBGE and notify the SG at the earliest opportunity of any unusual or major incidents.

25. The SG's Internal Audit Division has a right of access to all documents held by the RBGE internal auditor, including where the service is contracted out.

26. The SG has a right of access to RBGE records for any reasonable purpose, subject to other statutory requirements including, but not limited to, the Data Protection Act 1998.

## External audit

27. The Auditor General for Scotland (AGS) audits, or appoints auditors to audit, the RBGE's annual accounts and passes them to the Scottish Ministers who shall lay them before the Scottish Parliament, together with the auditor's report and any report prepared by the AGS. For the purpose of audit the auditors have a statutory right of access to documents and

information held by relevant persons. The RBGE shall instruct its auditors to send copies of all management reports (and correspondence relating to those reports) and responses to the SG.

28. The AGS, or examiners appointed by the AGS, may carry out examinations into the economy, efficiency and effectiveness with which the RBGE has used its resources in discharging its functions. The AGS may also carry out examinations into the arrangements made by the RBGE 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, the RBGE 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.

## Annual report and accounts

29. The RBGE must publish an annual report of its activities together with its audited accounts after the end of each financial year. The annual report must cover the activities of any corporate, subsidiary or joint ventures under the control of the RBGE. It should comply with the Government [Financial Reporting Manual](#) (FRoM) and outline the RBGE's main activities and performance against agreed objectives and targets for the previous financial year.
30. The accounts must be prepared in accordance with relevant statutes and the specific accounts direction (including compliance with the FRoM) and other relevant guidance issued by the Scottish Ministers. Any financial objectives or targets set by the Scottish Ministers should be reported on in the accounts and will therefore be within the scope of the audit. Any subsidiary or joint venture owned or controlled by the RBGE shall be consolidated in its accounts in accordance with International Financial Reporting Standards as adapted and interpreted for the public sector context or with the Charities Statement of Recommended Practice as appropriate.
31. The draft report should be submitted to the SG for comment, and the draft accounts for information, by 31 July. The final version should be available for laying before the Scottish Parliament by the Scottish Ministers by 31 December. Whilst the statutory date for laying and publishing accounts audited by the AGS is by 31 December, following the close of the previous financial year, there is an expectation on the part of the Scottish Ministers that accounts will be laid and published as early as possible. The accounts must not be laid before they have been formally sent by the AGS to the Scottish Ministers and must not be published before they have been laid. The RBGE shall be responsible for the publication of the report and accounts e.g. on the RBGE's website.

## Management responsibilities

### Corporate Plan and Performance Management Framework

32. RBGE must ensure that a corporate plan, agreed with the Scottish Ministers (as outlined under Ministerial responsibilities at point 11), is in place and published on the RBGE's website. The RBGE shall agree with the SG, as part of its ongoing dialogue throughout the year, the issues to be addressed in the plan and the timetable for its preparation and review. The finalised plan shall reflect the RBGE's strategic aims and objectives as agreed by the Scottish Ministers, indicative budgets and any priorities set by the Scottish Ministers. It shall demonstrate how the RBGE contributes to the achievement of the SG's primary purpose of focussing government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth and alignment with the SG's [National Performance Framework](#) (NPF). The corporate plan for the RBGE should include:

- the purpose and principal aims of the RBGE;
- an analysis of the environment in which the RBGE operates;
- key objectives and associated key performance targets for the period of the plan, the strategy for achieving those objectives and how these will contribute towards the achievement of the SG's primary purpose and alignment with the NPF;
- indicators against which performance can be judged;
- details of planned efficiencies, describing how the RBGE proposes to achieve better value for money, including through collaboration and shared services; and
- other matters as agreed between the SG and the RBGE.

33. A finalised copy of the plan should be provided to RESAS prior to the start of the relevant financial year.

34. The corporate plan should inform the development of RBGE's Performance Management Framework, which includes business planning for each financial year. The RBGE Performance Management Framework should include key targets and milestones for the year immediately ahead, aligned to the NPF, and be linked to budgeting information so that, where possible, resources allocated to achieve specific objectives and outcomes can be identified.

## Estates and Maintenance Strategy

35. The RBGE shall agree an Estates and Maintenance Strategy with the Scottish Government. The Estates and Maintenance Strategy covering a five year period and updated annually should define the property and requirements in relation to the RBGE's strategic objectives, space utilisation, investment proposals and funding.

## Science strategy

36. The RBGE shall produce a Science Strategy outlining its Strategic Plan for plant biodiversity research and communication, which should, as appropriate, align with the Scottish Government's Rural Affairs and Environment Strategic Research Portfolio.

## Budget management

37. Each year, in the light of decisions by the Scottish Ministers on the allocation of budgets for the forthcoming financial year, the SG will send to the RBGE by 31 March a formal statement of its budgetary provision, a note of any related matters and details of the budget monitoring information required by the SG. The statement of budgetary provision will set out the budget within the classifications of resource Departmental Expenditure Limits (DEL), capital DEL and Ring-fenced (non-cash) DEL. RBGE will also inform the Sponsor Unit at the earliest opportunity if a requirement for Annually Managed Expenditure (AME) budget is identified. Transfers of budgetary provision between the different classifications would require the prior approval of the SG Finance Directorate. Any proposals for such transfers should therefore be submitted to the sponsor unit. The SG should also be advised in the event that budget provision was forecast to be higher than estimated net expenditure. Subject to the above, transfers of provision within the summary classifications may be undertaken without reference to the SG, subject to any constraints on specific areas of expenditure e.g. the approved pay remit.
38. If the trading and other resource income - or the net book value of disposals of non-current assets - realised is less than included in the most up to date agreed budget the RBGE shall, unless otherwise agreed with the SG, ensure a corresponding reduction in its gross expenditure. (The extent to which the RBGE 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 most up to date agreed budgets the RBGE must consult and obtain the prior approval of the SG before using any excess to fund additional expenditure or to meet existing pressures. (Failure to obtain prior approval for the use of excess income - excluding income resulting from gifts, bequests and donations - to fund additional expenditure may result in corresponding reductions in budgets for the following financial year.)

## Cash management

39. Any [grant in aid](#) (i.e. the cash provided to the RBGE by the SG 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 the RBGE - 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 or the Board reserve held by the RBGE.

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

## Risk management

41. The RBGE 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 a risk management strategy, consistent with the [Risk Management](#) section of the SPFM. Reporting arrangements should ensure that RESAS is made aware of significant risks and how they are being managed. The RBGE audit committee is also required, at the earliest opportunity, to notify the relevant SG Audit and Risk Committee if it considers that it has identified a significant problem which may have wider implications. This should be done by alerting the Sponsor unit, who in turn will notify and liaise with the relevant Committee.

## Fraud management

42. The RBGE 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 response plan and robust reporting arrangements. This includes the establishment of avenues to report any suspicions of fraud. In addition the RBGE should take risk-based and proportionate steps to appraise the financial standing of any supplier or other body with which it intends to enter into a contract or to provide funding.

## Performance management

43. The RBGE shall operate management information and accounting systems that enable it to review, in a timely and effective manner, its financial and non-financial performance against the strategic aims, objectives, targets and milestones set out in the corporate plan. The results of such reviews should be reported on a regular basis to the RBGE Board and copied to the SG. The SG shall assess the RBGE's performance on a continuous basis and undertake a formal internal review at least twice a year. The responsible Cabinet Secretary / Scottish Minister shall meet the RBGE Chair at least once a year.
44. The role of the RBGE shall also be reviewed periodically in accordance with the business needs of the Scottish Government and of the RBGE, normally at least every 5 years.

## RBGE staff management

### *Broad responsibilities for RBGE staff*

45. The RBGE will have responsibility for the recruitment, retention, training and development and motivation of its staff. The broad responsibilities toward its staff are to ensure that:

- personnel policies, practices and systems comply with employment and equalities legislation, and standards expected of public sector employers;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness (subject to the SG Pay Policy for Staff Pay Remits);
- the performance of its staff at all levels is satisfactorily appraised and the RBGE's performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the RBGE's objectives;
- full and proper consultation with staff takes place on key issues affecting them;
- appropriate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act 1998 are in place; and
- a code of conduct for staff is in place based on the Model Code for Staff of Executive NDPBs – see chapter 5 of [Public Bodies: A Guide for Departments](#).

#### *Pay and conditions of service*

46. The RBGE shall submit to the SG for approval (normally annually unless a multi-year deal has been agreed) a pay remit in line with the SG Pay Policy for Staff Pay Remits and negotiate a pay settlement within the terms of the approved remit. Proposals on non-salary rewards must comply with the guidance in the [Non-Salary Rewards](#) section of the SPFM. The RBGE shall comply with employment and equalities legislation. The terms and conditions of the Regius Keeper are subject to a separate approval exercise in line with the SG Pay Policy for Senior Appointments.

#### *Pensions, redundancy and compensation*

47. Superannuation arrangements for the RBGE staff are subject to the approval of the SG. RBGE staff shall normally be eligible for a pension provided by membership of the Principal Civil Service Pension Scheme (PCSPS). Staff may opt out of the occupational pension scheme provided by the RBGE
48. Any proposal by the RBGE to move from existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the SG. Proposals on compensation payments must comply with the [Severance, Early Retirement and Redundancy Terms](#) section of the SPFM. This includes referral to the SG of any proposed compensation payment being considered for an individual outwith any existing approved scheme and *before* the individual is approached and any offer made either orally or in writing.

Any proposal by the RBGE to move from existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the SG. Proposals on compensation payments must comply with the [Severance, Early Retirement](#)

[and Redundancy Terms](#) section of the SPFM and any additional guidance in respect of extant settlement agreements. This includes referral to the SG of any proposed compensation payment being considered for an individual outwith any existing approved scheme and *before* the individual is approached and any offer made either orally or in writing.

## Asset and property management

49. The RBGE shall maintain an accurate and up-to-date record of its current and non-current assets in accordance with the [Management of Assets](#) section of the SPFM. “Fixed” assets should be disposed of in accordance with the [Disposal of Property, Plant & Equipment](#) section of the SPFM. The SG’s Property Advice Division should be notified of relevant proposed disposals of property at the earliest opportunity and at least 1 month prior to them being advertised on the open market. Any proposal to acquire land, buildings or other rights in property should comply with the [Acquisition of Property](#) section of the SPFM. The RBGE is also subject to the [SG Asset Management Policy](#), including the requirement for any new commitments to be signed off by the Scottish Ministers. Information concerning the RBGE should be accurately recorded and updated as necessary by the RBGE on the Office of Government Commerce [electronic Property Information Mapping System](#) (e-PIMS).

## Delegated authorities

50. The RBGE’s specific delegated financial authorities - as agreed in consultation between the RBGE and the SG - are set out in the attached **Appendix**. The RBGE shall obtain the SG’s prior written approval before entering into any undertaking to incur any expenditure that falls outside these delegations or which is not provided for in RBGE’s annual budget as allocated by the Scottish Ministers. The RBGE shall also comply with any requirements for prior SG approval included in the SPFM and/or this document. Prior SG approval must always be obtained before incurring expenditure for any purpose where any costs are estimated as being over £250k, or which might be considered novel, contentious or repercussive or which has or could have significant future cost implications.

51. The RBGE shall provide the Scottish Government with such information about its operations, performance, individual projects or other expenditure as the Scottish Government may reasonably require.

## Income generation

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

53. Gifts, bequests or donations received by the RBGE score as income and should be provided for in the agreed resource DEL and capital DEL budgets, updated as necessary in consultation

with the SG. However, the RBGE should be able to demonstrate that expenditure funded by gifts etc. is additional to expenditure normally supported by grant in aid (i.e. SG core funding) or by trading and other income. Before accepting such gifts etc. the RBGE shall consider if there are any associated costs in doing so or any conflicts of interests arising. The RBGE shall keep a written record of any such gifts etc, their estimated value and what happened to them.

## Financial investments

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

## Borrowing

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

## Lease arrangements

56. Unless covered by a specific delegated authority the RBGE 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 SG's prior approval. Before entering/ continuing such arrangements the RBGE 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. The RBGE must have capital DEL provision for finance leases and other transactions which are in substance borrowing.

## Tax arrangements

57. Non-standard tax management arrangements should always be regarded as novel and/or contentious and must therefore be approved in advance by the SG. Relevant guidance is provided in the [Tax Planning and Tax Avoidance](#) section of the SPFM. The RBGE 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 the RBGE to observe VAT legislation and recover input tax where it is entitled to do so. The RBGE must also ensure that it accounts properly for any output tax on sales or disposals.



## Lending and guarantees

58. Any lending by the RBGE 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 the RBGE shall not, without the SG's prior approval, lend money, charge any asset or security, 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 or in International Financial Reporting Standards), 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

59. Unless covered by a specific delegated authority the RBGE shall not, without the SG's prior agreement, provide grant funding to a third party. Such funding would be subject to the guidance in the [State Aid](#) 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

60. 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 SG at the earliest possible point in the financial year to determine the implications for the RBGE's budget. Similarly any significant movement in existing provisions or the creation of new provisions should be discussed in advance with the SG. Write-off of bad debt and/or losses scores against the RBGE's resource DEL budget classification and is subject to a specific delegated limit.

## Insurance

61. The RBGE is subject to the SG 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 SG. In the event of uninsured losses being incurred the SG shall consider, on a case by case basis, whether or not it should make any additional resources available to the RBGE. The SG will provide the RBGE with a Certificate of Exemption for Employer's Liability Insurance.

## Procurement and payment

62. The RBGE's procurement policies shall reflect relevant guidance in the [Procurement](#) section of the SPFM and relevant guidance issued by the SG's Procurement and Commercial Directorate. Procurement should be undertaken by appropriately trained and authorised staff and treated as a key component of achieving the RBGE's objectives consistent with the

principles of [Best Value](#), the highest professional standards and any legal requirements. Unless covered by a specific delegated authority any proposal to award a contract without competition (non-competitive action) must be approved in advance by the SG. Any external consultancy contracts with a value of more than £100,000 must be approved in advance by the Cabinet Secretary for Infrastructure, Investment and Cities and the Cabinet Secretary for Finance, Employment and Sustainable Growth.

63. Any major investment programmes or projects undertaken by the RBGE 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 sponsor 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 SG's Information Services Investment Board.
64. The RBGE 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 SG's target for the payment of invoices within 10 working days of their receipt.

## Gifts made, special payments and losses

65. Unless covered by a specific delegated authority the RBGE shall not, without the SG'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

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

## Board expenses

67. Trustee appointments are not remunerated but allowances and expenses paid to Board members must comply with the SG Pay Policy for Senior Appointments and any specific guidance on such matters issued by the Scottish Ministers.

## EXECUTIVE RBGE MODEL FRAMEWORK DOCUMENT: APPENDIX SPECIFIC DELEGATED FINANCIAL AUTHORITIES

		<b>Delegated Limit</b>
External business and management consultancies		£100,000
Non-competitive action		£25,000
Gifts		The RBGE is free to retain any gifts, bequests or similar donations subject to the provisions of paragraph 53.
Special payments		£5,000
Claims waived or abandoned		£5,000
Write-off of bad debt and/or losses		£5,000

To assist the Scottish Government in assessing overall DEL commitment levels, RBGE is required by SG finance to seek prior permission for any commitment in excess of £250,000.

RBGE will also provide SG with an annual report briefly summarising the purpose and value of the following transactions:

- All non-competitive actions;
- All claims waived or abandoned;
- All write-offs, losses and special payments;
- All gifts; bequests and donations
- All asset disposals over £15,000
- Capital investment projects in excess of £150,000