

# **SCOTTISH GOVERNMENT/ROYAL BOTANIC GARDEN EDINBURGH**

## **FRAMEWORK DOCUMENT**

### **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 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 the 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 the 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 the RBGE websites.

### **Purpose**

4. RBGE is to contribute to the achievement of Scottish Ministers objectives and priorities by aligning its aims and objectives with the [National Performance Framework, Scotland's Economic Strategy and Programme for Government](#).
5. [The National Heritage \(Scotland\) Act 1985](#) gives 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;**

- RBGE 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 Chair must ensure that the Board operates within the limits of its statutory authority, and any delegated authority agreed with the SG, and in accordance with any guidance issued by the SG and any other conditions relating to the use of public funds.

6. 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 high-quality visitor attraction

7. The SG, in consultation with the Board, determines RBGE's performance framework in the light of the Scottish Minister's wider strategic aims. RBGE's objectives and key targets shall be agreed within the RBGE's corporate planning process and should take full account of the Scottish Ministers' Spending Review targets and priorities.

**Relationship between SG 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 the 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 and RBGE will agree a schedule of meetings to discuss strategic performance management success factors, including budget allocation, financial management, key priorities, and reporting timelines. RBGE will provide SG sponsor team with all Board Minutes and Papers for information, including those related to the Edinburgh Biomes project. RBGE should provide the SG Sponsor Team with timely access to any information they may reasonably require ensuring

appropriate monitoring of performance and budget allocation. RBGE will also keep the SG informed of any major announcements and alert them in advance of any planned news releases which are relevant to the SG.

### **Legal origins of powers and duties**

10. RBGE is established under [The Natural 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](#).

11. The RBGE does not carry out its functions on behalf of the Crown. For administrative purposes RBGE is classified as an Executive Non-Departmental Public Body (NDPB).

12. RBGE is also a registered charity under the [Charities and Trustee Investment \(Scotland\) Act 2005](#) and therefore subject to the requirements under that Act. [Section 7 \(4\) \(a\) and \(b\)](#) of the Charities and Trustee Investment (Scotland) Act 2005 have been disapplied in relation to the RBGE, by virtue of the Charity Test (Specified Bodies) (Scotland) Order ([SSI 2006/219](#))

### **Ministerial Responsibilities**

13. 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 and founding legislation prevents them from directing RBGE in relation to specific statutory functions. Their responsibilities include:

- agreeing RBGE's strategic aims and objectives and key targets as part of the corporate planning process;
- agreeing the budget and the associated grant in aid requirement to be paid to 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 Board, approving the terms and conditions of Board members, and recommending the appointment of the Regius Keeper; and
- other matters such as approving RBGE Regius Keeper and staff pay remit in line with SG [Pay Policy](#) and laying the accounts (together with the annual report) before the Parliament.

### **RBGE Board Responsibilities**

14. The RBGE Board, including the Chair, 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 Chair shall hold and vacate office in accordance with the terms of their 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 total period of more than 8 years.

15. 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](#);
- 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 non-executive member to provide independent advice and assurance on the effectiveness of the internal control and risk management systems)
- (in reaching decisions) considering relevant guidance issued by the Scottish Ministers;
- approving the annual accounts and ensuring Scottish Ministers are provided with the annual report and accounts to be laid before the Scottish Parliament. The Regius Keeper as the Accountable Officer of the public body is responsible for signing the accounts, along with the Chair, and ultimately responsible to the Scottish Parliament for their actions
- 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 which give due weight to the proper management and use of resources within the stewardship of the RBGE and the delivery of outcomes; and remuneration terms in line with SG Senior Appointments. New contracts for a Regius Keeper 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; and demonstrating high standards of corporate governance at all times, including openness and transparency in its decision making.

16. 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**

17. 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. They are 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.

18. 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, in accordance with recognised good practice in corporate governance, is diverse both in terms of relevant skills, experience and knowledge appropriate to directing RBGE business, and in terms of protected characteristics under [Gender Representation on Public Boards Act](#) and [Guidance](#), where these apply.
- the Board members are fully briefed on terms of appointment, duties, rights, and responsibilities;
- together with the other Board members, they 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;
- succession planning takes place to ensure that the board is diverse and effective, and 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.

19. 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**

20. 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**

21. The Regius Keeper of the RBGE is employed by the Board and appointed by Her Majesty on the recommendation of the Scottish Ministers. They are the Board's principal adviser on the discharge of its functions and is accountable to the Board. Their 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. Their 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. Risk management arrangements should include full consideration of organisational resilience to physical, personnel and cyber risks/threats/hazards;
- 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 staff pay proposals are in line with SG [Pay Policy](#) where affordable and submitted in time and the necessary approvals obtained prior to implementing any annual award.

## **RBGE Senior Responsible Owner – Edinburgh Biomes Project**

22. The Regius Keeper of the RBGE is designated by the RBGE Board to be Senior Responsible Owner (SRO) of the Edinburgh Biomes Project. As SRO they must ensure the effectiveness of the governance, assurance and project management arrangements and maintain them throughout the life of the programme. This includes:

- Ensuring the project is set up for success through:
  - Ensuring that the project is set-up to make an unambiguous and demonstrable link to strategic policy;
  - Translating this policy intent into clear deliverables which are established and agreed with senior stakeholders;
  - Carrying out a robust and commercially viable options appraisal, which balances risk with opportunity, as part of an initial project feasibility exercise;
  - Establishing a firm business case for the project during the initiation/definition phase and ensuring that any planned change continues to be aligned with the business;
  - Identifying and securing the necessary investment for the business case (this includes both budget and operational resource);
  - Designing and implementing robust, appropriate, and transparent project governance;
  - Building strong and effective relationships with key stakeholders, justifying their trust, and retaining their confidence, and obtaining their commitment to benefits realisation.
- Ensuring the project meets its objectives and delivers the projected benefits through:
  - Gaining agreement to the project objectives and benefits amongst stakeholders, including Ministers where appropriate;
  - Understanding the broader government perspective and its impact on the project;
  - Ensuring the strategic fit of the project objectives and benefits;
  - Agreeing a clear and simple approach to performance management and monitoring delivery of the objectives and benefits, taking appropriate action where necessary to ensure their successful delivery.
- Developing the project organisation structure and plan through:
  - Ensuring that there is a coherent organisation structure and appropriately detailed project plan;
  - Building the right team, securing necessary resources and skills, and providing clear lines of accountability;
  - Providing appropriate support, steer, and strategic focus to the Project Manager.
- Monitoring and taking control of progress through:

- Overseeing the project at a strategic level, being honest and transparent about project progress, risks, issues, and opportunities;
- Ensuring any changes to agreed project benefits are flagged appropriately within project governance and that the business case is updated accordingly (throughout the project life cycle);
- Ensuring the integrity of the project is maintained and speak truth to power – including to Parliamentary Select Committees;
- Communicating effectively with senior stakeholders regarding project progress and provide clear, appropriate, and delivery-focused decisions and advice to the Project Manager.
- Ensuring problem resolution and referral processes are appropriate and effective through:
  - Identifying, understanding, and driving the successful mitigation of project risks;
  - Escalating serious issues quickly and with confidence to SG sponsor representatives and/or Ministers;
  - Developing strong and effective engagement between the project team and its stakeholders and sponsors;
  - Ensuring that communication processes are effective, and that the project's objectives and deliverables continue to be consistent with the organisation's strategic direction.
- Ensuring the project is subject to assurance at appropriate stages through:
  - Recognising the value of robust project assurance and ensuring it occurs at key points in the project lifecycle, particularly at the pre-initiation (feasibility) and initiation stages;
  - Completing a [Risk Potential Assessment](#) form to initiate engagement with corporate independent assurance providers;
  - Guaranteeing any recommendations or concerns from reviews are met or addressed in a timely manner;
  - In the event of a “red” or “amber-red” Delivery Confidence Assessment review rating, ensure that the RBGE Board and SG Sponsor unit has been made aware of the situation and has been briefed accordingly.
- Managing formal project closure through:
  - Formally closing the project and ensuring that the lessons learned are documented within the final evaluation report and disseminated to key stakeholders;
  - Ensuring that the post implementation review takes place, and the output is communicated to the appropriate stakeholders;
  - Ensuring a plan for both long term benefits realisation and on-going sustainability is agreed with key stakeholders as part of the process of moving the project to “business as usual” through the RBGE corporate planning function.

## **RBGE Accountable Officer responsibilities**

23. 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 and [Scottish Government Pay Policy](#);
- 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. The Accountable Officer should also notify the relevant Portfolio Accountable Officer.

24. It is incumbent on the Regius Keeper 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 Regius Keeper, including the statutory duty described above.

## **Portfolio Accountable Officer responsibilities**

25. The Principal Accountable Officer for the Scottish Administration will designate the Director-General Economy 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](#). They are 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 reviewed at least every 2 years;
- 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.

## **SG Director and Deputy Director**

26. 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**

27. The SG sponsor unit for the RBGE is EnFor Sponsorship Hub. It is the normal point of contact for the RBGE in dealing with the SG. The Sponsorship Hub, 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 their 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 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 considered in the SG's risk assessment and management systems; and
- informing the RBGE of relevant SG policy in a timely manner.

## **Internal audit**

28. 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 their 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.

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

### **External audit**

30. 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.

31. 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**

32. 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 Charities Statement of Recommended Practice or the Government [Financial Reporting Manual](#) (FReM) where appropriate and outline the RBGE's main activities and performance against agreed objectives and targets for the previous financial year.

33. The accounts must be prepared in accordance with relevant statutes and the specific accounts direction (including compliance with the FReM) 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 subsidiaries or joint ventures 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.

34. The draft report should be submitted to the SG for comment, and the draft accounts for information, by 31 August. 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 (including annual summary plan)**

35. 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.

36. The corporate plan should inform the development of a separate summary plan for each financial year. The summary plan for RBGE 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 can be identified. A copy of the RBGE summary plan should be provided to the sponsor unit prior to the start of the relevant financial year.

### **Digital and/or IT Projects**

37. RBGE shall ensure the requirements of the Technology Assurance Framework are observed within any Digital and/or IT projects.

### **Budget management**

38. 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 terms of that letter, referred to as the Budget Allocation and Monitoring letter, should be viewed as complementing the content of this document.

39. The monthly monitoring is the primary means of in-year budgetary control across the SG. As such RBGE must comply with the format and timing of the monitoring together with any reasonable requests for further information.

40. 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.

41. 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.

42. 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.

43. 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.)

44. 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.

45. 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.

46. RBGE may also receive funding for restricted projects, such as research, which will be accounted for in line with any grant awards. These funds will be kept separately from the unrestricted funds detailed above. Depending on the restrictions applied to the funding, these projects may cover more than one financial year.

## **Cash management**

47. 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.

48. 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.

49. 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.

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

### **Risk management**

50. 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.

51. Reporting arrangements should ensure that the EnFor Sponsorship Hub 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.

### **Organisational security and resilience**

52. As part of risk management arrangements, RBGE 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:

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

### **Counter Fraud arrangements**

53. 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**

54. 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 and summary 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 RBGE 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.

### **RBGE staff management - Broad responsibilities for RBGE staff**

55. 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:

- HR 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;
- adequate grievance and disciplinary procedures are in place;
- effective 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 – chapter 5 of [Public Bodies: A Guide for Departments](#).

### **Pay and conditions of service**

56. Where affordable, RBGE will comply with SG Pay Policy in relation to staff and the Regus Keeper. 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, if affordable. 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, RBGE will also seek appropriate approval under the SG [Pay Policy for Senior Appointments](#) for the Regus Keeper'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**

57. 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

58. Any proposal by RBGE to move from existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires prior discussion with the SG. 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 SG 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, a body should engage with the SG prior to proceeding with proposed severance options, and prior to making any offer either orally or in writing.

### **Asset and property management**

59. RBGE 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 SG's Property Division should be consulted about relevant proposed disposals of property that RBGE holds for operational purposes (rather than investment) at the earliest opportunity so it may be advertised internally. An [Internal Advertisement](#) form must be completed and submitted at least one month prior to property being advertised on the open market. Any proposal to acquire land, buildings, or other rights in property for accommodation / operational purposes should comply with the SPFM. RBGE 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. All assets (property, plant and equipment) are to be properly recorded and updated as necessary by RBGE on the Cabinet Office [Electronic Property Information Mapping System](#) (e-PIMS), or similar.

### **Delegated authorities**

60. RBGE specific delegated financial authorities - as agreed in consultation between RBGE and the SG - are set out in the attached **Appendix**. RBGE shall obtain the SG's prior written approval before entering into any undertaking to incur any expenditure that falls outside these delegations. 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 that is or might be considered novel, contentious, or repercussive or which has or could have significant future cost implications.

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

### **Income generation**

62. The RBGE shall seek to optimise income - grant in aid does not qualify as income - from all sources 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.

63. 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**

64. Unless covered by a specific delegated authority 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**

65. 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**

66. 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**

67. 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.

### **Settlement, severance, early retirement, and redundancy**

68. The NDPB 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**

69. 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**

70. 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 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**

71. 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**

72. 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**

73. RBGE 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. 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 Regius Keeper.

74. Any major investment programmes or projects undertaken by 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 Office of the Chief Information Officer.

75. 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**

76. 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**

77. 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.

### **Subsidy control**

78. The EU State aid regime was effectively revoked from UK law from 1 January 2021 and subsidy control provisions are now covered by the UK-EU Trade and Cooperation Agreement (TCA) and the UK's international obligations including various Free Trade Agreements and those arising as a consequence of World Trade Organisation membership. This position may be subject to change if the UK Government establishes its own domestic subsidies control regime: a UK wide consultation on this is set to take place in the first half of 2021. Currently any activity that the RBGE 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.

### **Board expenses**

79. Remuneration (daily fees), allowances and expenses paid to board members [and any pension arrangements] 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 authority (£000s)</b>
Incurring Expenditure, under exceptions set out in SPFM	250
External business and management consultancies	100
Non-competitive action	100
Operating leases – other than property/ accommodation related leases	100
Gifts	Free to retain gifts, bequests, or similar donations
Special payments	5
Claims waived or abandoned	5
Write-off of bad debt and/or losses	5
Major investment programmes/ projects	<b>Biomes project</b> - as agreed in annual budget profile <b>Other</b> - 250

To assist the SG 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 £250,000