

**FRAMEWORK DOCUMENT BETWEEN
THE SCOTTISH GOVERNMENT AND
THE POVERTY AND INEQUALITY COMMISSION**

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Introduction

1. This Framework Document is agreed between the Poverty and Inequality Commission ('the Commission') and the Scottish Ministers. It summarises how the Commission and Scottish Government (SG) will work together, and the key roles and responsibilities of:
 - the Commission;
 - the Commission's Secretariat;
 - the Scottish Ministers; and
 - the Portfolio Accountable Officer within the SG whose remit includes the Commission.

While this document does not confer any legal powers or responsibilities, it forms a key part of the accountability and governance framework and as a live document it should be reviewed by SG and the Commission regularly and at least every three years. Any proposals to amend the framework document either by the SG or the Commission will be taken forward in consultation and taking account of SG priorities and policy aims.

2. Any questions regarding the interpretation of the document will be determined by the SG after consultation with the Commission. Legislative provisions take precedence over any part of the document.
3. The Commission is not permitted to establish any subsidiaries or enter into joint ventures without express approval from Scottish Ministers.
4. Copies of the document shall be published on the Commission's website.

Purpose

5. The Commission is an independent advisory Non-Departmental Public Body ("NDPB"), created in order to support Scottish Ministers and others to reduce levels of poverty and inequality in Scotland. The Commission was established on 1 July 2019 under Section 8 of the Child Poverty (Scotland) Act 2017 as amended ("the Act").
6. The Commission will achieve its purpose through providing solution focused advice to Scottish Ministers and others, holding Scottish Ministers to account through effective scrutiny and undertaking an advocacy role as necessary to promote the reduction of poverty and inequality in Scotland.
7. The Act sets out a key role for the Commission to provide advice and scrutiny to Scottish Ministers to support them in achieving the ambitious targets set to reduce levels of child poverty in Scotland by 2030.

8. The Commission's statutory functions, under the Act, are to:
- advise the Scottish Ministers on any matter relating to poverty or inequality in Scotland, including the impact of their policies and use of resources in reducing such poverty and inequality;
 - monitor progress in reducing poverty and inequality in Scotland;
 - promote the reduction of poverty and inequality in Scotland;
 - provide advice to Ministers on the measures they propose to include in Tackling Child Poverty Delivery Plans;
 - provide annual comment on progress made towards the targets set out in the Act, whether progress is sufficient and what further progress is required; and
 - publish any advice it provides to the Scottish Ministers.
9. The Commission may do the following things as it considers appropriate for the performance of its functions, including in particular:
- gathering evidence;
 - carrying out research; and
 - preparing and publishing such reports as it considers appropriate.
10. The statutory duties above provide a framework for the Commission's functions. However, the Commission itself has freedom to choose areas of focus within the scope of this broader remit, subject to these areas contributing to achievement of the outcomes in the most current [National Performance Framework](#).
11. The Commission will consider whether their work plan can accommodate ad-hoc requests made by Scottish Ministers.

Governance and Accountability

12. The Commission does not carry out its functions on behalf of the Crown. It is responsible to Scottish Ministers.
13. The remainder of this section summarises the specific responsibilities and accountabilities of the key people involved in governance of the Commission.

The Commission

14. Members of the Commission, including the Chair, are non-executives appointed by the Scottish Ministers and approved by the Scottish Parliament in line with both the [Code of Practice for Ministerial Appointments to Public Bodies in Scotland](#) and the Act. The Chair and Members are accountable to the Scottish Ministers and also to the Scottish Parliament and may be required to give evidence to Parliamentary Committees.

15. Members of the Commission have overall responsibility for the delivery of the functions of the Commission, as set out at paragraphs 6 to 11 above. In undertaking these functions, consideration should be given to the aims, policies and priorities of the Scottish Ministers. In fulfilling this responsibility, individual Members, under the leadership of the Chair, will:

- set strategic and operational plans to deliver the functions of the Commission, considering how the work of the Commission can most effectively contribute to achievement of the outcomes in the [National Performance Framework](#), the [Programme for Government](#) and [Scotland's National Strategy for Economic Transformation](#) in collaboration with the SG and other public bodies;
- regularly scrutinise current and projected performance against the aims, objectives and targets set out in those plans and take decisions on remedial action where required;
- ensure that effective governance is established and maintained, including ensuring that decision-taking is open and transparent and that key risks are identified and managed; and
- promote the efficient, economic and effective use of resources consistent with the principles of [Best Value](#), and regularly scrutinise financial performance and compliance with financial guidance issued by the SG;

16. The role of Members of the Commission is to act in the best interests of the Commission as a whole. When undertaking their roles, individual Members of the Commission should not ask the Secretariat to take action on their behalf as individuals, unless the request is in the best interests of the Commission as a whole or there is an agreed consensus among a majority of Commissioners prior to any request.

17. The Chair will:

- lead the Commission, ensuring that all Members have suitable induction to understand the role and their responsibilities, that the skills and experience of all Members are used effectively and that the Commission undertakes regular self-assessment of its performance;
- ensure that the performance of each Member is reviewed at least once per calendar year and that the Commission and/or individual Members undertake development activity when required to ensure the effectiveness of the Commission. Performance appraisal for Commissioners will be shared with the Senior Sponsor and Sponsor Team;
- ensure that the Commission reviews its overall effectiveness annually and puts in place any changes or improvements as a result;
- ensure that a Code of Conduct (aligned to the Model Code of Conduct for Board Members) is in place, that corporate actions are taken to implement

it as required and that Members understand their responsibilities, using the guidance provided by the Standards Commission;

- work with the Portfolio Accountable Officer or their delegate(s) and the Public Appointments Team in SG on: succession planning for the Commission; action necessary to fill vacancies as they arise; skills requirements and promoting diversity by encouraging applications from less represented groups, including younger people, people from minority ethnic backgrounds, people with disabilities and people with lived experience of poverty;
- lead communication with members of the Commission on the process for re-appointment, where appropriate; and
- agree with the Head of Secretariat the key tasks and actions required of the Secretariat and review delivery of key objectives on a regular basis.

18. Specific guidance on how the Chair and Commissioners should discharge their duties will be provided in their appointment letters and helpful information can be found in [On Board – A Guide for Members of Statutory Boards](#). Guidance on governance good practice is available in the [Scottish Public Finance Manual](#) and from the sponsor team, who may consult the SG Governance and Risk Team. A list of key aspects of governance to consider is included in the Governance and Risk section.

The Commission's Secretariat

19. All staff, including the Head of Secretariat, are civil servants on SG terms and conditions of employment. They are required to comply with the Civil Service Code and SG HR policies, but their primary responsibility for all operational matters is to the Commission and it will not be possible for the Portfolio AO, Senior Sponsor, members of the Sponsor Team or other SG officials, with the exception of the Head of the Social Policy Unit as line manager to the Head of Secretariat, to instruct the Secretariat in the performance of their duties except by agreement with the Chair or the Commission.

20. The Secretariat will:

- deal with the everyday administrative matters relating to the Commission and provide day to day support;
- act as an initial point of contact and ensure effective relationships with the SG sponsor unit;
- ensure the Commission adheres, where appropriate, to SG policies;
- liaise with stakeholders and build relationships across the SG and government departments; and
- prepare board papers and reports as required under the instruction of the Commission.

21. The Secretariat's role is to provide balanced and impartial support to the Commission so that the views of all of the Commissioners are taken into account. Where seeking to take action on behalf of the Commission, the Secretariat must ensure that a consensus is reached among a majority of Commissioners in advance of taking that action. The Secretariat cannot act on the basis of instructions from a minority of Commissioners or individuals.

Head of Secretariat

22. The Head of Secretariat will be the principal adviser to the Commission on the discharge of its functions and is accountable to it. The Head of Secretariat role is to provide operational leadership to staff working for the Commission and to ensure that its aims and objectives are met, its functions are delivered, and its targets are met through effective and properly controlled executive action.

23. The specific duties of the Head of Secretariat will be set out in a job description and annual objectives will be agreed with the Head of Social Policy Unit in the Office of the Chief Social Policy Adviser. The Head of the Social Policy Unit also appraises the Head of Secretariat, with input from the Chair; Commissioners; Secretariat and Senior Sponsor.

24. The Head of Secretariat will:

- advise the Commission on the discharge of its responsibilities as set out in this Framework Document, in the Act and in any other relevant instructions and guidance issued by or on behalf of the Scottish Ministers;
- implement, or oversee implementation of, the decisions of the Commission;
- manage the Secretariat in line with SG guidance, policies and procedures, and support their wellbeing and development;
- manage the budget for the Commission in line with Finance guidance, policies and procedures, including the [Scottish Public Finance Manual](#);
- agree with the Commission and the Portfolio AO or Senior Sponsor what information is required to enable Commission Members and SG to scrutinise the performance of the Commission and progress against overall strategic and business plan aims and objectives, and ensure that the agreed information is provided and that it is both accurate and timely; and
- manage the day-to-day relationship with the Sponsor Team, with other SG officials who have an interest in the work of the Commission and other key stakeholders, including staff of other public bodies, ensuring that any issues or concerns with the operation of the Commission are highlighted as early as possible.

25. In advising the Commission, the Head of Secretariat will ensure that the key governance issues highlighted in the Governance and Risk section below are addressed.

The Scottish Ministers

26. The Scottish Ministers appoint the Chair and Members with approval from the Scottish Parliament and hold Members to account for the performance of the Commission and its use of resources. Ministers are ultimately accountable to the Scottish Parliament for ensuring that the Commission is discharging its duties effectively, although the Parliament will scrutinise the performance of the Commission directly as it does with all public sector bodies. The Scottish Ministers are not directly responsible for the operation of the Commission and founding legislation prevents them from directing the Commission in relation to specific statutory functions.

27. The Scottish Ministers will:

- agree the strategic aims, objectives and key targets of the Commission as part of the corporate planning process;
- agree the budget for the Commission, and secure the necessary Parliamentary approval; where necessary; and
- approve the Code of Conduct of the Commission.

28. In order to support effective strategic engagement, the Cabinet Secretary for Social Justice will meet quarterly with the Commission (two meetings per annum with the Chair and two meetings with the full Commission).

SG Portfolio Accountable Officer

29. The Principal Accountable Officer for the Scottish Administration (the Permanent Secretary of the SG) has designated the Director General for Communities, as the Accountable Officer (AO) for the SG portfolio budget which will provide funding for the Commission.

30. The Portfolio AO's duties are to establish a framework for the relationship between SG and the Commission, as a public body, oversee the operation of that framework, ensure the public appointments to the body are made appropriately and ensure that appropriate assurance is provided on the performance and governance of the body. These activities are known collectively as 'sponsorship'. In practice, the Portfolio AO is likely to delegate some or all of the sponsorship duties to a Deputy Director as Senior Sponsor and to other SG officials in a 'Sponsor Team'. The responsibilities of a Portfolio AO are set out in detail in the [Memorandum to Accountable Officers for Parts of the Scottish Administration](#).

31. The Portfolio AO will:

- make sure this Framework Document is agreed between the Scottish Ministers and the Commission, reviewed regularly at least every two to three years, and oversee the operation of the roles and responsibilities set out;

- ensure that financial and other management controls being applied by the Commission are appropriate and sufficient to safeguard public funds and conform to the requirements both of propriety and of good financial management;
- in line with [Code of Practice for Ministerial Appointments](#), ensure that public appointments are made in good time and secure appropriate skills, experience and diversity amongst Members, working with the Chair on succession planning; that there is effective induction for new appointees; and ensure that there is continuous assessment and annual appraisal of the performance of the Chair, incorporating relevant feedback from others as appropriate;
- support regular and effective engagement between the Commission and the relevant Scottish Minister(s); and
- make sure there is clear, documented delegation of responsibilities to a Senior Sponsor and/or Sponsor Team and that the Commission and senior officials of the Commission are aware of these delegated responsibilities.

Senior Sponsor

32. As delegated by the Portfolio AO, the Deputy Director, Tackling Child Poverty and Financial Wellbeing, has responsibility for overseeing the relationship between the SG and the Commission as Senior Sponsor. The Senior Sponsor will:

- ensure high performance and an effective relationship which supports the alignment of the Commission's business to the SG's National Performance Framework;
- meet quarterly with the Chair of the Commission; and
- work closely with the Commission Chair and be answerable to the Portfolio AO for maintaining and developing positive relationships with the Commission characterised by openness, trust, respect and mutual support.

33. The Senior Sponsor will be supported by a Sponsor Team in discharging these functions.

Sponsor Team

34. The Sponsor Team's primary function is to carry out the responsibilities delegated to it by the Portfolio AO, directly or via the Senior Sponsor, as described above.

35. The SG's Sponsor Team for the Commission is the Fairer Scotland Team. It is the first point of contact for the Commission in dealing with the SG. The Team, under the direction of the Senior Sponsor, is the primary source of advice to the Scottish Ministers on the discharge of their responsibilities in respect of the Commission. 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 Commission;

- ensuring that appointments to the Commission are made timeously and in accordance with the [Code of Practice for Ministerial Appointments to Public Bodies in Scotland](#);
- proportionate monitoring of the Commission's activities through an adequate and timely flow of appropriate information, agreed with the Secretariat, on performance, budgeting, control and risk management;
- addressing in a timely manner any significant problems arising in the Commission, alerting the Senior Sponsor and the responsible Minister where considered appropriate;
- ensuring that the objectives of the Commission and the risks to them are properly and appropriately taken into account in the SG's risk assessment and management systems;
- meeting monthly with the Secretariat to discuss any governance or practical issues and the ongoing operation of the Commission, including budgets; and
- informing the Commission of relevant SG policy in a timely manner.

Office of the Chief Social Policy Adviser

36. The Office of the Chief Social Policy Adviser, a division within the SG, will hold the Commission's budget and have responsibility for the recruitment and retention of the Commission Secretariat.

37. The Office of the Chief Social Policy Adviser's responsibility toward the Commission Secretariat is to ensure that:

- the level and structure of the Secretariat, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness (subject to the SG's [Pay Policy for Staff Pay Remits](#));
- the performance of the Secretariat at all levels is satisfactorily appraised and the Commission's performance measurement systems are reviewed from time to time;
- the Secretariat is encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the Commission's objectives;
- proper consultation with secretariat takes place on key issues affecting them;

- adequate grievance and disciplinary procedures are in place; and
- effective whistle-blowing policy and procedures consistent with the Public Interest Disclosure Act 1998 are in place.

38. The Chief Social Policy Adviser shall be responsible for assessing the performance of the Commission's Chair at least annually and will collect feedback from others, where appropriate, to support effective assessment. For example from stakeholders, Commissioners, the Secretariat or Senior Sponsor. Performance appraisals for the Chair will be shared with the Senior Sponsor and Sponsor Team.

Relationship between Scottish Government and the Commission

39. Effective strategic engagement between the SG and the Commission is essential in order that they work together as effectively as possible to maintain and improve public services and deliver improved outcomes. Specific governance and accountability roles are described in the section above, but more generally, both the SG and the Commission 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](#)'. This emphasises the need for cooperation and good communication, and particularly early warning from either side about any emerging risk or issue with significant implications for the operation or governance of the Commission.

40. A protocol document has been agreed between the Commission and the SG that sets out how the two organisations will engage with each other in relation to advice and other publications from the Commission. The protocol document can be reviewed subject to agreement by both parties.

Information Requests by the Commission

41. The SG will provide access to relevant information for use by the Commission in accordance with [paragraph 3](#) of the schedule of the Act within reasonable timescales. Where additional explanation or assistance is required to interpret this information the SG will provide such support.

Planning and Reporting

42. The Commission will prepare a draft strategic or corporate plan every three years setting out its strategic aims, objectives and targets over that period, for approval by the Scottish Ministers. The final, agreed version of the strategic or corporate plan will be published on the Commission's website. Where possible, the strategic or corporate plan should demonstrate how the Commission contributes to the SG's [National Performance Framework](#).

43. The Commission must ensure that an annual work plan, agreed between the Chair and Members, is in place annually. The plan should highlight the key work streams, focus for the following year, outputs that are expected and when these outputs will be produced. The work plan should reflect the Commission's strategic

aims and objectives as agreed with the Scottish Ministers. Where possible, the work plan should demonstrate how the Commission contributes to the SG's [National Performance Framework](#).

44. The work plan, and any subsequent amendments, should be shared with the Sponsor Team in order to allow sufficient time for any actions or comments that arise from the work of the Commission. Sufficient flexibility should be built in to the work plan to account for any current events that require a response or for requests from Scottish Ministers to be considered.
45. The Commission will publish on its website an Annual Report on its work, including progress against its current strategic aims, objectives and targets, and its budget expenditure. A copy of the report should be provided to the Scottish Ministers via the Sponsor Team and Senior Sponsor prior to publication. A copy of the report should also subsequently be provided to the Scottish Parliament, usually by way of a letter from the Chair to the Convener of the relevant Committee, currently the Social Justice and Social Security Committee, on the date of publication.

Budget and finance

46. As the Commission has no legal personality and is unable to enter into contracts in its own name, any procurement activity must be undertaken through the SG in line with the requirements of the [Procurement](#) section of the [Scottish Public Finance Manual \(SPFM\)](#), and the Commission must not engage in financial investments, borrowing, lease holding, lending, etc. This is not intended to be an exhaustive list, and advice should be sought from the Sponsor Team on any financial matters not otherwise covered in this Framework Document. Such procurement as is required to carry out the Commission's statutory functions shall be undertaken by Scottish Ministers on behalf of the Commission.
47. The Commission is not under normal circumstances permitted to: generate income; receive gifts, bequests or donations; provide grant funding to a third party; make gifts or special payments or write off losses. Any exceptions must be agreed in advance with the Senior Sponsor or Sponsor Team and, through them, the SG Financial Management Directorate.

Budget Management

48. The Scottish Ministers are required to provide staff and resources to enable the Commission to carry out its functions. A budget is provided for the Commission, but formally held and accounted for by SG. The Head of Secretariat will be responsible to the Commission for managing the budget provided, in line with SG Finance policies and guidance including the [SPFM](#) and requirements for monitoring and reporting. The Sponsor Team can provide advice as required.
49. If the Commission identifies a need for increased resource from a future budget or spending review, a business case for additional funding should be submitted to the Sponsor Team for consideration as part of the budget setting process. If additional resources are needed in-year, or underspends become apparent, then the Commission should raise these as soon as possible with the Sponsor Team.

50. The budget allocated to the Commission will be held on its behalf by the Office of the Chief Social Policy Adviser.

Budget Notification

51. 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 Commission a formal statement of its budgetary provision, and a note of any related matters and details of the budget monitoring information required by the SG and as set out in the SPFM. The terms of that letter, referred to as the Budget Allocation and Monitoring letter, should be viewed as complementing the content of this document. The Sponsor Team will support the Commission in its responsibilities around monthly monitoring which is the primary means of in-year budgetary control across the SG. As such, bodies must comply with the format and timing of the monitoring together with any requests for further information.

Audit

52. The budget is held and accounted for by the SG so there is no need for the Commission to prepare separate accounts and there will be no separate external audit undertaken by Audit Scotland.

53. Internal Audit requirements for the Commission will be considered within the Core SG Internal Audit Plan. This plan is prepared prioritising risk and any suggestions for Internal Audit support requested by the Portfolio AO will be considered on that basis. These requirements are in accordance with the Public Sector Internal Audit Standards and the Internal Audit section of the SPFM.

54. The Head of Secretariat will keep records of, and prepare and forward promptly to the SG, an annual report on any fraud or theft in the Commission and notify the Portfolio AO or Senior Sponsor at the earliest opportunity of any unusual or major incidents.

Governance and Risk

55. Guidance on governance requirements is available in several documents referred to earlier in this Framework Document:

- [the Scottish Public Finance Manual](#) (SPFM)
- [On Board – A Guide for Members of Statutory Boards](#)

56. If in any doubt about a governance issue, the Chair or Head of Secretariat should consult the Senior Sponsor or Sponsor Team in the first instance, and sponsors may in turn consult the SG Public Bodies Unit, the SG Governance and Risk Branch and/or other teams with relevant expertise.

57. The Commission and Head of Secretariat are advised to pay particular attention to guidance on the following issues.

Risk management

58. The Commission must develop an approach to risk management consistent with the Risk Management section of the SPFM and establish reporting and escalation arrangements with the Portfolio AO or Senior Sponsor. Reporting arrangements should be documented and should ensure that the Sponsor Team is made aware of relevant risks and how they are being managed. The Commission 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.
59. The Commission should have a clear understanding of the key risks, threats and hazards it may face in the personnel, accommodation and cyber domains, and take action to ensure appropriate organisational resilience, in line with the guidance in: [Having and Promoting Business Resilience](#) (part of the Preparing Scotland suite of guidance) and the [Public Sector Cyber Resilience Framework](#).

Internal control

60. The Commission should establish clear internal delegated authorities with the Head of Secretariat, who may in turn delegate responsibilities to other members of staff.
61. Counter-fraud policies and practices should be adopted to safeguard against fraud, theft, bribery and corruption - see the [Fraud](#) section of the SPFM.
62. The Commission must comply with the requirements of the Freedom of Information (Scotland) Act 2002 and ensure that information is provided to members of the public in a spirit of openness and transparency. The Commission must also register with [Information Commissioners Office](#) and ensure that it complies with the Data Protection Act 2018 and the General Data Protection Regulations, commonly known as GDPR.

Remuneration

63. Remuneration, allowances and any expenses paid to the Chair and Members must comply with the latest SG Pay Policy for Senior Appointments and any specific guidance on such matters issued by the Scottish Ministers.
64. As part of overall compliance with SG HR policies and procedures, the Secretariat staff (who will normally be civil servants) will come under SG policies.

Legal and other advice

65. If a need for legal advice is identified, the Commission should approach the Sponsor Team in the first instance. The SG Legal Department (SGLD) will not provide legal advice direct to the Commission.
66. In instances where the Sponsor Team is not able to provide sufficient guidance, or the advice sought conflicts with the needs of Scottish Ministers, the Commission will be required to seek its own independent advice at its own cost.

SGLD may be able to assist in obtaining that advice through the legal services framework.

SPECIFIC DELEGATED FINANCIAL AUTHORITIES

The limits outlined below represent the total which may be agreed by the named party in relation to a single expense or over the life of a contract award.

Head of Secretariat

The Head of Secretariat has authority to authorise any routine expenditure of the Commission, inclusive of remuneration claims, travel expenses, contractor invoices and publication costs, etc, to the limit of £3,000. Beyond this level clearance should be sought from the Chair or Commission as appropriate.

In the absence of the Secretariat Manager the Principal Research Officer is able to authorise routine expenses.

Chair

The Chair has authority to authorise contracts and or expenses, inclusive of the above, up to the limit of £10,000.

Commission

Commission approval, in line with agreed quorum, should be sought for expenses beyond £10,000 or where special circumstances exist.

The following action is required, dependent on level of expenditure:

£10,001 - £49,999 – Once Commission approval has been given, procurement or contract award can proceed as normal.

£50,000 and over – Further to Commission approval, the Office of the Chief Social Policy Adviser must approve expenditure.