

250710 (174) FOI Investment Process

From: [Freedom of Information](#)
To: [REDACTED]
Cc: [Freedom of Information](#)
Subject: Freedom of Information Request
Date: 10 July 2025 12:33:37
Attachments: [REDACTED]

Dear [REDACTED]

Thank you for your Freedom of Information request of 12 June 2025. We are responding to you under the Freedom of Information (Scotland) Act 2002.

FOI REQUEST (12 June 2025)

Request: Investment Process, Discretionary Judgement and Senior Oversight

1. **Public Investment Assessment Process**

Please provide the documented process, criteria, or internal guidance used when assessing and approving any form of public financial support (e.g. grants, loans, equity investment) to individuals, companies, or organisations. This includes:

- Eligibility criteria
- Assessment frameworks
- Scoring, weighting, or tiering of applicants
- Risk analysis or return-on-investment methodologies

2. **Use of Discretion in Decision-Making**

Please provide any policies or guidance that define and govern how discretion is applied during investment decisions – i.e., where deviation from standard criteria or frameworks is permitted. Please include any approval thresholds or senior oversight involved.

3. **Staff Roles and Qualifications**

Please list the job titles or roles of those involved in:

- Assessing applications
- Recommending funding
- Making final investment decisions

Please also provide the **required or typical qualifications or professional background** expected for these roles (e.g. accountancy, investment, legal, governance, public administration). If no formal qualifications are required, please confirm.

4. **Senior Management and Board Oversight**

a) Please describe the role of the Chief Executive, Chairperson, and/or Board Members in investment decisions.

b) In the past six years, have there been any cases where:

- The CEO, Senior Management Team, Chairperson, or Board declined or blocked a

funding decision that had been recommended by the investment team following due process?

- Conversely, where funding was approved against the advice of investment or risk assessment staff?

If so, please provide a count of such cases and the process followed.

5. Conflicts of Interest and Safeguards

Please provide documentation on how conflicts of interest are identified, declared, and mitigated during the funding decision process – including any registers maintained.

6. Post-Award Accountability

Please outline the procedures followed post-award, including:

- Monitoring of recipients
- Reporting obligations
- Breach or clawback procedures
- Internal or external review mechanisms of funding decisions

7. Complaints or Concerns Raised

Please provide details of any complaints, concerns, or internal audits (in the last six years) that relate to:

- Use or misuse of discretion
- Lack of due diligence
- favouritism or inconsistent application of investment principles

Public Interest Note

This request is made in the public interest. The use of public funds through enterprise agencies requires public confidence in the professionalism, transparency, and integrity of decision-making processes. The use of discretion in public investment, especially when not accompanied by relevant expertise or governance safeguards, risks undermining this confidence. Should any part of this request require clarification or refinement to avoid exceeding cost limits, I am happy to engage.

RESPONSE

Our response is in *blue italics*.

1. Public Investment Assessment Process

Please provide the documented process, criteria, or internal guidance used when assessing and approving any form of public financial support (e.g. grants, loans, equity investment) to individuals, companies, or organisations. This includes:

- a. Eligibility criteria
- b. Assessment frameworks
- c. Scoring, weighting, or tiering of applicants

d. Risk analysis or return-on-investment methodologies

SOSE follow the guidance in the Scottish Government 'Five Case Model' Framework and the 'Scottish Public Finance Manual (SPFM)' to ensure proper handling and reporting of public funds. Both these documents are available on the Scottish Government website.

- *Five Case Model - [Business case - Service Manual](#)*
- *SPFM - [Scottish Public Finance Manual - gov.scot](#)*

All SOSE funding follow a standard appraisal and due diligence process. Information relating to the organisation and the project is gathered and analysed against standard appraisal criteria which includes:

- *The strategic case;*
- *The economic case – including impact on place, inclusive growth, fair work, net zero, natural capital and community wealth building;*
- *Financial case – including consideration of value for money, additionality and displacement;*
- *Management case; and*
- *Commercial case*

SOSE standard terms and conditions are available on our [website](#).

2. **Use of Discretion in Decision-Making**

Please provide any policies or guidance that define and govern how discretion is applied during investment decisions – i.e., where deviation from standard criteria or frameworks is permitted. Please include any approval thresholds or senior oversight involved.

*SOSE's Delegated Authority Policy (**Appendix A**) sets out SOSE delegated limits and provides for clear internal delegated authorities.*

Since its establishment on 1 April 2020, SOSE has had in place a delegated authority policy which has been regularly reviewed to ensure that it remains current with updated thresholds and processes aligned with SOSE's operations.

3. **Staff Roles and Qualifications**

Please list the job titles or roles of those involved in:

- a. Assessing applications
- *Business Development Advisor/Specialist*
 - *Community Development Advisor/ Specialist*
- b. Recommending funding –
- *Business Development Advisor/Specialist*
 - *Community Development Advisor/ Specialist*
 - *Business and Community Managers*

- Heads of
- Executive Directors

(dependant on the value of the funding)

- c. Making final investment decisions. Please also provide the required or typical qualifications or professional background expected for these roles (e.g. accountancy, investment, legal, governance, public administration). If no formal qualifications are required, please confirm.

*We read the term 'investment decisions' to mean funding decisions. Funding decisions is covered in SOSE's Delegated Authority Policy (**Appendix A**) which outlines what level of role can approve what level of funding.*

Qualifications –for specific roles, SOSE would expect sector relevant qualifications, experience and where required information on portfolio of work.

4. Senior Management and Board Oversight

- a. Please describe the role of the Chief Executive, Chairperson, and/or Board Members in investment decisions.

*We read the term 'investment decisions' to mean funding decisions. The role of the Chief Executive, Chair and Board Members in SOSE funding decisions would be in line with SOSE's Delegated Authority Policy (**Appendix A**).*

- b. In the past six years, have there been any cases where:

- The CEO, Senior Management Team, Chairperson, or Board declined or blocked a funding decision that had been recommended by the investment team following due process?

*SOSE do not have an 'Investment Team'. All SOSE funding decisions follow the SOSE Delegated Authority policy (**Appendix A**).*

The responsibility of SOSE Board members and Senior Officers is to approve or not approve proposed funding or in some cases to state if they require further information or adjustments to the funding application to be able to make that decision.

In the last 6 years, there have been instances where funding requests have been declined due to the proposal not meeting the required appraisal criteria.

However, we do not routinely hold this data and apply Section 17 of FOISA to advise you that we do not hold the information you have requested.

- Conversely, where funding was approved against the advice of investment or risk assessment staff? If so, please provide a count of such cases and the process followed.

*There have been no cases. All applications for funding follow our Delegated Authority policy (**Appendix A**).*

5. **Conflicts of Interest and Safeguards**

Please provide documentation on how conflicts of interest are identified, declared, and mitigated during the funding decision process – including any registers maintained.

*SOSE's Conflict of Interest Policy (**Appendix B**) applies to SOSE employees and SOSE Board members. The policy sets out the responsibility in respect of the registration and declaration of interests and when a SOSE employee or Board member is deemed to have a material interest, direct or indirect, in any organisation dealing with SOSE, they must declare the interest and take no part in the appraisal or decision-making process. SOSE Board members register of interest is reviewed and updated regularly and published on our [website](#).*

6. **Post-Award Accountability**

Please outline the procedures followed post-award, including:

- a. Monitoring of recipients – *the Grant Offer Letter (GOL) and terms and conditions (Ts+Cs) of all grants outline what is required to demonstrate drawdown of funding and any other grant requirements.*
- b. Reporting obligations – *SOSE publish all grant awards on our [website](#) and information on grant awards is included in our annual report and accounts which are also published on the SOSE [website](#).*
- c. Breach or clawback procedures – *these would be in line with the GOL and Ts+Cs and could be different to each individual award.*
- d. Internal or external review mechanisms of funding decisions. *SOSE is subject to internal and external audit which could include review of funding decisions.*

7. **Complaints or Concerns Raised**

Please provide details of any complaints, concerns, or internal audits (in the last six years) that relate to:

- a) Use or misuse of discretion. *Nil. SOSE follow policies and process as outlined previously.*
- b) Lack of due diligence. *Nil. SOSE follow Initial Due Diligence requirements*
- c) Favouritism or inconsistent application of investment principles. *Since SOSE's launch on 1 April 2020, we have received one complaint relating to potential favouritism in a funding award. The complaint was not upheld. Favouritism or inconsistencies in funding awards should not occur due to all SOSE funding following our conflicts of interest policy and delegated authority policy.*

You have the right to request a review of the way in which this request has been processed. Should you wish to exercise this right, you will need to contact us within 40 working days of receipt of this email.

If you remain dissatisfied on completion of the review, you have the right to appeal to the Office of the Scottish Information Commissioner and thereafter to the Court of Session on

a point of law only:

Scottish Information Commissioner
Kinburn Castle
Doubledykes Road
St Andrews
Fife
KY16 9DS
Telephone: 01334 464610

www.foi.scot

or for online appeals:

www.foi.scot/appeal

Regards,
SOSE Corporate Relations Team
FOI@sose.scot



www.southofscotlandenterprise.com



Delegated Authority Policy | 2024

Descriptor	Changes made	Date	Version	Approved By
Policy first implemented	New Policy.	2020	1.0	Interim Delegated Authority
Review no.1	Fully Policy Review	1 April 2021	2.0	Board (25/3/21)
Review no.2	Minor Changes: <ul style="list-style-type: none"> • Project change SLT authority • Delegation for absence • SOSE client and project funding approval - Appendix 1 • Procurement approvals - Appendix 2 • Manual payments - Appendix 4 • HR - Appendix 5 • Leases - Appendix 6 • Reserved matters - Appendix 7 	30 April 2022	3.0	SLT (7/1/22) ARC (2/3/22)
Review no.3	Minor Change: Removal of Director T&D column from Table 5	31 October 2022	3.1	Director F&CR
Review no.4	Minor Change: Separation of £50-£100k and £100-£200k in Table 1	16 June 2023	3.2	Director F&CR
Review no.5	Minor Changes <ul style="list-style-type: none"> • Clarity for funds process • Subsequent changes to approved projects • Collaborative exercises and partnership working clarity • Table 1 - update to threshold approval levels and incorporation of expert help • Table 4 - changes to bank and manual payment authority • Table 5 - change to payroll threshold approval 	May 2024	4.0	Director F&CR

Name of policy being superseded (if applicable)	
Related policies	
Related SOPs	
Related Guidance	
Equality Impact Assessment completed	
Intended Audience	All SOSE Staff
Team responsible for policy	Finance Team
Policy owner contact details (email)	Interim Director F&CR (allan.harrow@sose.scot)
Approved by	Audit & Risk Committee
Additional points of contact	Head of Finance Services (nicola.mcarthur@sose.scot)
Policy due for review (date)	30 April 2026

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1.0 Context and Purpose |

- 1.1 South of Scotland Enterprise Agency began operations on 1 April 2020. It is vital for the smooth running of the organisation that there are clear processes and systems in place for business transactions, including appropriate approval hierarchies, in order to safeguard the agency from any unintended consequences.
- 1.2 Appropriate delegation of authority is fundamental to corporate governance arrangements i.e., the way in which organisations are directed and controlled. Authority should however be defined clearly such that decisions are made, and actions taken by the appropriate people. In general, authority should be delegated to the point where decisions can be taken most efficiently.

2.0 Introduction |

- 2.1 This document sets out the delegated levels of authority for South of Scotland Enterprise (SOSE) and will be subject to an annual review.
- 2.2 The following documents should be read in conjunction with this policy:
 - Framework Agreement between the Scottish Government and South of Scotland Enterprise
 - South of Scotland Enterprise Act 2019
 - SOSE's Rules and Guidance, including Project Appraisal and Project Delivery guidance
 - Scottish Public Finance Manual
 - HM Treasury Guidance, "Economic Appraisal in Central Government: A Technical Guide for Departments"; The Green Book
- 2.3 The following other guidance/policies are also relevant:

Area of Activity	Relevant Policies/Guidance
Travel and subsistence, including overseas travel	Employee expenses policy
Fraud	Counter fraud policy
Gifts and hospitality	Gift and hospitality policy
Conflicts of interest	Conflict of interest policy
Human resource activities	Human Resources policies and guidance
Finance processing, invoice authorisation and payment release	Accounts payable procedure
Procurement arrangements	Procurement policy and procedure
Legal arrangements	Legal guidance

3.0 General Principles |

Principles Applying

- 3.1 All decisions should support delivery of SOSE's Operating Plan, priorities and be in accordance with the South of Scotland Enterprise Act 2019.
- 3.2 It is the responsibility of all employees to ensure that all contracts and formal undertakings covered by the scope of this policy are duly approved and signed in accordance with this policy. Anything out with the scope of this policy should be discussed with the Director of Finance and Corporate Resources for guidance.
- 3.3 This policy applies to all employees within SOSE including agency and seconded staff from 3rd party organisations. Any employee found to have breached this policy may be subject to disciplinary action.
- 3.4 Appropriate budgets (Capital, Revenue, Financial Transactions, non-cash, and cash) should be available to fund any approval.
- 3.5 Project officers should engage in early discussion with the delegated authority to confirm the appropriateness of potential SOSE investment.
- 3.6 The decision maker should consider any opportunity costs associated with the funding decision.
- 3.7 Appropriate and proportionate due diligence should support the decisions made to commit SOSE resources, and SOSE project appraisal processes and templates should be used for this purpose, with appropriate audit trails retained.
- 3.8 Any funding decision should have regard to any policy framework which exists, including any intervention policies, strategic guidance etc.
- 3.9 Decisions made by panel or Board should be supported by meeting minutes and included in project appraisal folder along with all finalised project paperwork as per guidance.
- 3.10 Appropriate segregation of duties should be in place. Specifically for financial approvals, no one person can recommend and approve a project and/or approve and process a payment.
- 3.11 The Framework Agreement provides that certain decisions and proposals must be referred to the Scottish Government. Please refer to the agreement and Appendix Table 7.
- 3.12 SOSE's conflicts of interest policy should apply and no one with a conflict should participate in any SOSE activity to which the interest relates. The exception being where someone is appointed to a role by SOSE, in these circumstances they can participate in activity and discussion to inform decisions but not the decision. Any queries on dealing with interests should be referred to the Director of Finance and Corporate Resources.
- 3.13 Any amendments to approval value should be considered by the delegated authority level appropriate to the new combined total gross approval amount.
- 3.14 Grant in Aid budget agreed for funding costs should not be used to fund business establishment costs.
- 3.15 Transfers of budgetary provision between the different summary classifications as advised by Scottish Government will require the prior approval of the SG Finance Directorate.

- 3.16 Any decision to cease the provision of a SOSE core service, or change the delivery method of any core service, requires the prior written agreement of the Chief Executive.
- 3.17 The financial limits refer to total SOSE contribution to an activity, i.e., includes not solely Grant-in-Aid but also any other funding where SOSE is required to meet the cost initially. This would also include Schemes where SOSE is the applicant but recovers contributions from other funders.
- 3.18 For time critical decisions where it is not practicable to convene a full Board meeting, SOSE will convene an ad hoc Board meeting with a minimum of 4 Non- Executives plus Chair or Deputy Chair and Chief Executive Officer.
- 3.19 Where an activity is regarded as high risk, irrespective of value, early advice should be taken, the issue should be raised and escalated to the Director of Finance and Corporate Resources.
- 3.20 As several transactional functions will be managed through the provision of shared services by SDS, and the Agresso finance system, it is important that the required level of approval is clear and is met within SOSE prior to SDS processing the payment. Required authority levels for various financial functions are outlined in the subsequent sections of this policy.
- 3.21 Approval levels are exclusive of VAT unless noted otherwise.

4.0 Approval

Budget Allocation and Annual Operating Costs

- 4.1 The annual Operating Plan sets out SOSE's key strategic and operational priorities together with planned income and expenditure. Following approval of the Operating Plan by the SOSE Board and noted by Scottish Ministers, members of the Senior Leadership Team will receive a Budget Allocation Statement from the Finance Directorate. This will be used to cover the annual costs of operating the business and providing core services as well as previously approved and new projects.
- 4.2 Directors and other senior staff may commit expenditure on the annual operating costs and core services within their area of responsibility as set out in the Budget Allocation in accordance with their Commitment Authority (see Appendix Tables).
- 4.3 Appendix Tables:
- SOSE Client and Project Funding
 - Procurement
 - Purchase to Pay
 - Banking
 - HR
 - Leases
 - Specific Reserved Matters

Expenditure Approval Including Grants and Financial Transactions

- 4.4 All expenditures, including proposals to deliver grants to companies, new projects, and programmes together with any material changes require a specific approval at the relevant level of delegated Approval Authority.
- 4.5 Where a grant approval is in relation to one of SOSE's fund, approval is in line with the criteria and process agreed by SLT at the time the fund was established.

- 4.6 Where goods and services are being procured, specific authorities are in place for approval to proceed with a procurement and approval to award the contract. See Appendix Table 2 which details the specific considerations related to procurement activity.
- 4.7 Budget allocation does not confer spend approval; the delegated authority level outlined in the appendix tables should be followed.
- 4.8 The following activities also require approval as project:
 - New or replacement capital projects / assets
 - Use or disposal of existing assets

Subsequent Changes to SOSE Client and Project Funding Approvals

Value changes:

- 4.9 Any increase in the funding value, or any significant change to the overall funding package, should be taken at the level of authority relevant to the new total.
- 4.10 Where a decrease in the funding value is proposed without affecting the outcomes of the project or intervention rate this can be approved by one F grade Team Manager or above and noted at panel. Where the decrease is the lesser of 10% or up to £5k no change control is required and an email can be sent to note at panel, copying in the responsible F grade Team Manager or above for awareness.
- 4.11 Where there is a change between the categories on the grant offer letter without significantly affecting the outcomes of the project and the value of the grant remains unchanged the change can be approved by one F grade Team Manager and 1 G grade heads of area, then noted at panel.
- 4.12 Where increase / decrease relates to approval originally made by the Board, the Senior Leadership Team will have authority to approve the lesser of:
 - 10% change to original approval amount
 - Up to £50k

Other Changes (Not Value):

- 4.13 For other changes, which do not impact on the approval value or the funding package, changes should be agreed by the delegated authority relevant to the project value. Where the change relates to a project with a value of over £200k revenue / 350k capital, the Senior Leadership Team will decide whether this requires to be presented for Board approval and/or information.
- 4.14 Examples of such changes include:
 - Amendments to security and terms of loan or grant funding
 - Amendment to ownership or nature of organisation
 - Issues relating to ongoing obligations
 - Decisions relating to default or recovery
 - Changes to outcomes of the project
 - Project timing when transferring funding between different budget years.
 - Changes to intervention rates, including claims at different intervention rates to those specified on the GOL even where the total grant will come back to the total intervention rate ultimately.
- 4.15 Advice should be sought from the Director of Finance and Corporate Resources or Legal on the significance of the change and whether amendments are required to legal documentation. Any changes to standard terms and conditions of legal agreements or contracts requires approval.

"Mixed" and "Cumulative" Funding Approvals

- 4.16 Where projects require funding from more than one SOSE source, such as grants and investment ("mixed funding"), or successive amounts of funding ("cumulative funding") the amounts should generally be aggregated and approved at the relevant level of delegated authority where the same activities are being funded. For the avoidance of doubt, where any company receives additional amounts or types of funding over a period for different projects i.e., where SOSE's funding is in pursuit of discrete objectives in each case, there is no requirement to aggregate those amounts for the purposes of determining the relevant approval level. In complex cases or where there is any doubt, advice should be sought from the Director of Finance and Corporate Resources.

Approval "Shelf Life"

- 4.17 Subject to any legal commitments, grants and projects which have not commenced implementation within twelve months from the date of approval require reapproval through the change control process.

Asset Disposals and Investment Exits

- 4.18 Asset disposals require approval at the relevant level of delegated authority based on the market value of the asset(s) in question.

Leases to Third Parties

- 4.19 Collier International Property Consultants Limited (Colliers) are agents working on behalf of SOSE to support the day-to-day delivery of its Investment Property portfolio and occupied buildings. Colliers are engaged in the negotiations but have no authority to act, see Appendix table 6 for the delegated authority internal to SOSE. The value of a lease is defined as the periodic rental multiplied by the lease period.

5.0 Commitment

- 5.1 Commitment authority is the authority to enter into contracts, tenders, agreements, purchase orders or any commitment by SOSE to expenditure, liability, or obligations (including any signature thereof where required). The power legally to commit SOSE is subject to the activity being within the authorising member of staff's area of responsibility.

Levels of Commitment Authority

- 5.2 General levels of commitment authority and sub-delegation arrangements can be found in the appendix tables.
- 5.3 Authority to commit expenditure may only be exercised when all necessary approvals are in place.
- 5.4 Care must be taken to avoid any express or implied commitment in advance of budget, grant, or project approval. Advice on any documents capable of having a legal effect must be taken from Director of Finance and Corporate Resources or Legal.

Framework Agreements

- 5.5 Approval to proceed and award an overarching SOSE framework follows the delegated authority routes noted above. Specific arrangements for call-offs from these frameworks will be agreed by the Procurement Team and the Framework Owner. Where call-offs are anticipated to be over £50k and/or high risk, approval to proceed and award will be in line with normal delegated authorities.
- 5.6 If the activity is considered to be consultancy, additional consultancy approval will not be required for each individual call-off as this was gained for the overall Framework, unless the process used did not follow the approved Call Off Process.

Non-SOSE Frameworks

- 5.7 Approvals for these contracts will be as per the delegated authorities noted above. If for consultancy it will also need to follow the consultancy approval route.

Programmes

- 5.8 Where approval was given for a programme which covers a range of activities, this does not supersede the need for procurement approvals for each specific requirement within the programme.
- 5.9 Each procurement requirement within the programme will follow the Delegated Authority Levels as above, unless otherwise stated in the overarching programme approval.

Collaborative exercises

- 5.10 Where SOSE are procuring on behalf of other organisations, approval from the other parties involved is required at both the proceed and award stage. This can be in the form of an email confirming participation and budget etc, and it is the other parties' responsibility to ensure this is in line with their own internal delegated approval requirements.
- 5.11 Advice must be sought from finance where SOSE are procuring an asset but:
- don't retain ownership of the asset or
 - have a future economic benefit
- to ensure the correct budget has been allocated to the expenditure including the cost of the VAT as usually this is irrecoverable to SOSE.

Signature of Documents

- 5.12 Please refer to relevant Appendix table to confirm appropriate signatories. If in any doubt please contact the Director of Finance and Corporate Resources.

6.0 Payment |

- 6.1 Payment authority is the power to authorise payment against valid and due invoices and payment demands. SOSE Finance's accounts payable process should be followed.
- 6.2 Credit notes / reversal of income are akin to expenditure and as such, credit note requests should follow payment delegated authority.

Levels of Payment Authority

- 6.3 General levels of payment authority and sub-delegation arrangements can be found in Appendix 3.

7.0 Sub-Delegation for Absence |

Temporary Sub-Delegation of Approval Authority

- 7.1 Approval authority may be sub-delegated by approvers to named staff members for periods of absence. Such delegation will only operate in the absence of the approver and in respect of decisions which should not be delayed until their return. All contractual or financial commitment delegations must be sideways to the same grade or higher. Where this is not available due to absence / team size please contact Finance to agree alternative delegation.
- 7.2 Commitment and payment authority may be temporarily sub-delegated during periods of absence to named staff members. Such temporary delegations must be notified in writing to SOSE Finance.
- 7.3 In the absence of the Chief Executive for a period anticipated to exceed four weeks, the Chair may appoint one or more Senior Leadership Team members to exercise the Chief Executive's full authority. A notice of CEO sub-delegate will be circulated.

8.0 Appendix Tables |

8.1 Note: To read the tables please follow the full column or row for the relevant activity and value. Where more than one person is ticked against an activity EACH person is required to approve unless sole approval is mentioned.

Table 1: SOSE Client and Project Funding Approval - Including Grants, Loans, Property*1 and Strategic Projects

(i.e., All spend not classified as business as usual for SOSE to operate.)

	Expert Help*2	Revenue			Capital and FT				
SOSE Contribution*	2 days of support	Up to £100,000	£100,000 - £200,000	>£200,000	Up to £25,000 *3	£25,001 - £50,000 *3	£50,001 - £100,000	£100,001 - £349,999	>£350,000
1 Grade F Team Manager	✓ *2								
2 Grade F Team Managers					✓				
2 Heads of Team (Grade G)		✓	✓	✓		✓	✓	✓	✓
To panel for noting					✓	✓			
Panel meeting including 1 member from SLT		✓					✓		
Panel meeting including 2 members from SLT			✓	✓				✓	✓
To SLT meeting for noting			✓	✓				✓	✓
Board				✓					✓
Offer letter signatory - Any Grade G					✓	✓			
Offer letter signatory - Any SLT member		✓	✓				✓	✓	
Offer letter signatory - CEO on behalf of the Board				✓					✓

*1 -All property acquisitions and disposals to follow the property strategy for SOSE and comply with SPFM and SG Asset Management Policy

*2 -Expert help budget is agreed during the budget setting process, approvals for 2 days of support can be made by 1 Grade F Team Manager. Anything over 2 days must be referred to Grade G responsible for the budget. Grade G budget holder ultimately responsible for the total expert help budget not being exceeded, having an internal process to manage this effectively.

*3 - All spend approved under £50k must follow the small approval process and be in line with SLT prioritisation guidance

Table 2: Procurement

(Any client / project funding will require appropriate approval following Appendix 1 before entering procurement route.)

Activity	<£50,000	£50,000 - £99,999	£100,000 - £249,999	>£250,000
Project / Programme spend approved within Table 1	Evidence to be provided to Procurement of approval, (e.g., meeting minutes)			
Part of Operating Plan	Procurement to confirm with Finance	Director of Finance and Corporate Resources		
Non-budgeted	Director of Finance and Corporate Resources	Director of Finance and Corporate Resources & CEO		
Approve Consultancy / direct award procurement	Procurement & Property Manager	Director of Finance and Corporate Resources	CEO	
Approve Procurement Strategy	Procurement & Property Manager	Director of Finance and Corporate Resources	CEO & Board	
Approve Contract Award Recommendation Report (CARR)	CARR Not required below £50k	Director of Finance and Corporate Resources	CEO	
Signing of Procurement Contracts	Procurement & Property Manager	Director of Finance and Corporate Resources	CEO	
Terminate Contracts	Procurement & Property Manager	Director of Finance and Corporate Resources	CEO	

Table 3: Purchase to Pay

(Purchase requisition to be created once spend has been committed following approval through Appendix Table 1 or Table 2.)

Activity	< £25,000	£25,001 - £50,000	£50,001 - £249,999	>£250,000
Purchase requisitions	Grade F	Grade G / Finance Manager	Director	Director plus Director of Finance and Corporate Resources / CEO
Invoice approval	Grade F	Grade G / Finance Manager	Director	

Table 4: Banking

Activity	<£100,000	£100,000 - £300,000	£300,001 – £1,000,000	>£1,000,000*
Banking Authority (aggregate value)	Finance Manager Grade F	Head of Finance Services	Director of Finance and Corporate Resources (sole approval), or other Director and Finance Grade E and above review in advance.	CEO
Approve actual payment	The BACS file will be approved in line with the bank mandate			
Manual Payment (form approval)	Grade F plus one Finance Manager Grade F or above	Grade G plus Head of Finance Services	Director of Finance and Corporate Resources plus one other Director or CEO	
Cheque payments	Director of Finance and Corporate Resources and Finance Managers (Grade F)			
Open / Close bank account	Director of Finance and Corporate Resources			

Table 5: HR, Signing Contracts and Payroll Adjustments

Activity	HR Manager	Business Reporting Manager	Head of Finance Services	Employee's Line Manager	Employee's Director	Director F&CR	CEO
New start salary minimum pay scale	✓ (sole approval)					✓ (sole approval)	
New start salary above pay scale minimum (email approval)*					✓ (approval by any 2)	✓ (approval by any 2)	✓ (approval by any 2)
Signing employee contract	✓ (sole approval)				✓ (sole approval)	✓ (sole approval)	
Monthly payroll approval - Changes to previous pay standing data		✓ < £10k (sole approval)	✓ < £30k (sole approval)			✓ > £10k (sole approval)	
Overtime					✓	✓	
Contract amendments including promotions**	✓						
Policy matters and terms concerning employment or dismissal of staff				✓	✓		

* The director hiring a new start cannot approve a salary above the pay scale minimum.

** Promotions, grade changes and hire cards out with budget approval will be proposed and approved by SLT, grade H requires additional approval by Remuneration, Nominations and Human Resources Committee.

Table 6: Investment Property Leases and Operational Accommodation Leases

(All property lease commitments, income, and expenditure, should be managed through Property Board.)

Activity	Approval threshold	Procurement & Property Manager	Director F&CR	CEO	Board
Third Party lease with tenants (Income for SOSE)	< £ 50,000	✓ <input type="checkbox"/>			
	£50,001 - £349,999		✓ <input type="checkbox"/>		
	> £350,000			✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
Operational Lease* (Expenditure for SOSE)	< £ 50,000	✓ <input type="checkbox"/>			
	£50,001 - £349,999		✓ <input type="checkbox"/>		
	> £350,000			✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
Changes to Financial Year			✓ <input type="checkbox"/>		
Significant departure from Heads of Terms			✓ <input type="checkbox"/>		
Non-standard terms and conditions			✓ <input type="checkbox"/>		
Identification of a significant risk to SOSE			✓ <input type="checkbox"/>		

*Please follow any additional requirements as set out in the Scottish Public Finance Manual (SPFM)- Property: acquisition, disposal management and SG Asset Management Policy in advance of making commitment.

Lease - Change Control

Where there is a change in lease value the total accumulated lease value (original value plus change) should be considered

and approved in line with the authority threshold for the total value.

Table 7: Specific Reserved Matters

(The following specific reserved matters apply, please also refer to SOSE Framework document.)

Reserved matter	Route for approval/ approval authority
Major investment projects, grants, and loans	Approval follows SOSE's normal approval routes. Notified to the Sponsor Directorate at Scottish Government via the provision of SOSE Board papers and when over £3.5m inclusive of fees and VAT. (see Framework Document)
Approval of equity investments Equity should not exceed 19.9%	Up to £3.5m (subject to sections 73-75 in SOSE Framework Document)
Creation of new company, subsidiary, associate, or joint venture or equivalent	Approval by Board <i>Note - Once in existence the DOA policy will be updated for disposal / transfer treatment.</i>
Novel, contentious, or repercussive proposals	Scottish Government
Claims abandoned, waived or write-off of bad debts	Scottish Government (see Framework Agreement, section 91-94 for limits for SOSE decisions)
Property for accommodation/operational purposes – including leases	Scottish Government and business case requirement
Guarantees, indemnities, letters of comfort	Scottish Government (subject to sections 88-89 in SOSE Framework Document)
Transfers of budgetary provision between capital and resource budgets, cash	Notified to Scottish Government through the Operating Plan and budget revision process.
Gifts including presentations to staff	Up to £500 per case
Fruitless payments and constructive losses	Up to £10,000 per case
Losses of assets, stores, and equipment	Up to £10,000 per case
Cash losses	Up to £10,000 per case

Reserved matter	Route for approval/ approval authority
Special payments: <ul style="list-style-type: none"> • Extra-contractual and ex gratia payments to contractors • Other ex gratia payments • Compensation payments 	Up to £2,000 per case
Non-financial documents for SOSE e.g., MOTOs, data sharing, MOU	Chief Executive; or Director of Finance and Corporate Resources (acting as company secretary)
Non-disclosure agreement/ confidentiality agreement	Director of Finance and Corporate Resources (acting as Company Secretary)
Commencement of any legal action	Chief Executive or Senior Leadership Team
Change in method of service delivery	Chief Executive and Board
High risk conflict of interest	Prior approval from Chief Executive
Pay remit	Senior Leadership Team and Nomination Remuneration Committee (subject to Scottish Government pay policy guidelines)
Redundancy, severance, or compensation for loss of office	Scottish Government
Direct debit advance notice letters, set-up in accordance with approved loan offer	Finance Managers (Grade F)
New supplier / customer forms	Finance Managers (Grade F)
Applications for other income for SOSE	Any Director, Director of Finance and Corporate Resources to be notified



Conflicts of Interest Policy | 2024

Descriptor	Changes made	Date	Version	Approved By
Policy first implemented	New Policy.	April 2020	1.0	ARC
Review no.1	Policy formatted to reflect the rest of SOSE policy suite. Titles of Directors changed to reflect SOSE Titles.	February 2024	2.0	Director of F&CR
Review no.2				
Review no.3				
Review no.4				
Review no.5				
Review no.6				
Review no.7				

Intended Audience	All SOSE Staff and Board members
Team responsible for policy	Governance and Assurance Team
Policy owner contact details (email)	DPO, Governance & Assurance Manager (Maureen.malone@sose.scot)
Approved by	Director F&CR (anthony.daye@sose.scot)
Policy due for review (date)	1 February 2026

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Annex 1: The Nine Scottish Principles of Conduct

1. Introduction and Background

1.1 Background

As a public body, SOSE has high expectations of the Board members and staff and the way in which they should conduct themselves in undertaking their duties. SOSE expects the conduct of its Board members and staff to be above reproach.

The Ethical Standards in Public Life (Scotland) Act 2000 sets out nine general principles of conduct which underpin public life in Scotland. These nine Scottish principles (which are defined at Annex 1) are as follows:

- Selflessness
- Integrity
- Objectivity
- Accountability and stewardship
- Openness
- Honesty
- Duty
- Leadership
- Respect

The handling of conflicts of interest is a particularly important and sensitive issue for SOSE and is specifically referred to in the Scottish principle on 'honesty':

"You have a duty to act with honesty at all times. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest."

1.2 Codes of conduct for Board members and staff

SOSE has adopted a Code of Conduct for Board Members which is based on the Standards Commission's Members Model Code of Conduct. Sections 4 and 5 of the Code of Conduct set out the responsibilities of Board members in respect of the registration and declaration of interests.

SOSE has a Code of Conduct for Staff which forms part of the terms and conditions of service for all staff. Paragraph 5 of the Code imposes a duty on staff to comply with SOSE's policies and procedures in respect of conflicts of interest:

"Staff should abide by the rules adopted by SOSE in relation to private interest and possible conflict with public duty; the disclosure of official information; and political activities. They should not misuse their official position or information acquired in their official duties to further their private interests or those of others. Staff working on contracts should ensure that any possible conflicts of interest are identified at an early stage and that appropriate action is taken to resolve them."

1.3 Why do we need a conflict of interest policy?

While all Board members and staff have a personal responsibility to observe their (respective) Code of Conduct, it is also incumbent on SOSE to provide advice and guidance to its Board members and staff to ensure that, in discharging their roles, they comply with the law and fulfil their obligations under the Code of Conduct. In addition, SOSE has a duty to avoid placing Board members and staff in positions where they may face a serious conflict of interest.

As part of SOSE's corporate governance arrangements, this document sets out SOSE's Conflicts of Interest policy and the procedures to be followed by Board members and staff when a conflict arises.

1.4 Who does this policy cover?

This policy applies to:

- SOSE Chair and Board members (including co-optees to committees and working groups)
- All SOSE staff
- All SOSE temporary staff (including professional service providers, agency staff, interns and modern apprentices)

1.5 Further information and advice

If you have any queries in respect of this Conflicts of Interest policy or need advice in relation to a specific case, please contact SOSE's Director of Finance & Corporate Resources.

2. SOSE's Approach when Handling Conflicts of Interest

2.1 Handling conflicts of interest in SOSE

Although this policy provides advice and guidance to Board members and staff on how to handle conflicts of interest, it cannot cover every conceivable situation that may arise. To help staff understand if any of the nine principles have been breached, SOSE has identified standard values which underpin its procedures to handle conflicts of interest appropriately.

Nine things you should think of when considering conflicts of interest are:

- **Take personal responsibility:** It is your personal responsibility to ensure that you comply with this Conflicts of Interest policy
- **Put SOSE first:** Your first duty is to give undivided allegiance to SOSE at all times. You must not subordinate your duty to private interests and must not make use of your official position to further outside interests
- **Be open and transparent:** Complete the Register of Interests annually and update it as and when you accrue new interests or if your interests change by informing HR or Corporate Office Lead (for Board members only). Be open and transparent about your interests and always take advice from Governance and Assurance Manager.

- **Be aware of public perception:** In considering whether an interest is material, you must consider not only whether you will be influenced but also whether a member of the public, acting reasonably, would think that you might be influenced (the public perception test)
- **Declare and play no part:** Where you are deemed to have a material interest (direct or indirect) in any organisation dealing with SOSE, you should declare this interest and take no part in the appraisal, decision making or account management process in relation to that organisation
- **If in doubt, play safe!** If in doubt, even after discussing the matter with your line manager, you should err on the side of caution
- **Declare and refer every time:** You should declare your conflict of interest on each and every occasion that it arises and, if necessary, refer the matter to the appropriate authority (e.g. line manager, Director) for guidance
- **Escalate:** Given the reputational risks to SOSE, complex and/or significant conflicts of interest should be escalated up the management chain to the SOSE Director of Finance & Corporate Resources and, if necessary, SOSE's Chief Executive
- **Document everything:** All correspondence relating to the handling of a conflict of interest should be documented. There should be a clear audit trail which will stand up to scrutiny in the event of any challenge

3. Registration of Interests

3.1 What is the difference between registration and declaration of interests?

Registration is the formal process of recording all the direct interests of Board members and Staff on an annual basis whereas a declaration is made as and when interests arise during the day-to-day duties of Board members/staff.

3.2 Maintaining and updating the Register(s) of Interests

SOSE's Director of Finance & Corporate Resources will issue guidance and update it as required:

Board members

- All Board members are required to formally register their own direct (personal) interests on appointment and update those annually. The Corporate Office will co-ordinate these updates.
- Any new interests or changes to interests must be brought to the attention of the Corporate Office Team at the earliest opportunity from the change occurring.
- The Corporate Office will maintain and update the register of interests for Board members.
- The register of interests held for all Board members will be made available on the public website. The Corporate Office will ensure that the website is regularly updated.

SLT and all SOSE staff

- SLT should update via HR their register of interest and ensure where appropriate that other colleagues, are made aware of these changes.
- The register of interests held for all SLT members will be made available on the public website. The HR department will ensure that the website is regularly updated.
- All other SOSE staff are required to formally register their own direct interests on appointment and will be reminded to update this annually through HR.
- Any new interests or changes to interests must be added to the HR register at the earliest opportunity after the change occurring.
- The register of interests for staff excluding SLT will not be published on the SOSE website but may be publicly available in some circumstances taking into account specific Freedom of Information requests and the Data Protection Act 2018.

3.3 What has to be registered?

The following six categories of interests should be registered:

- **Sources of remuneration:** All employment or other contractual arrangements (other than with SOSE) for which you receive financial gain by virtue of being employed, self-employed, the holder of an office, a director of an undertaking, a partner in a firm
- **Directorships:** Any directorships of a parent or subsidiary undertaking which may be unpaid and which may be significant to the work and operation of SOSE
- **Contracts:** Any contracts that you (or any organisation in which you have an interest) have or which may be significant to the work and operation of SOSE
- **Houses, land and buildings:** Any property you own or have any other right to which may be significant to the work and operation of SOSE
- **Shares and securities:** Shares or securities held in a company or organisation which may be significant to the work and operation of SOSE
- **Non-financial interests:** Any non-financial interests that may be significant to the work and operation of SOSE

You do not have to register the value of any interest but rather the name and nature of the organisation in which the interest is held.

Board members and staff may have significant non-financial interests and it is equally important that relevant interests such as membership or holding office in public bodies, companies, clubs, societies and organisations such as voluntary organisations, are registered and described. Directorships in trade unions should also be registered.

In this context, non-financial interests are those which members of the public might reasonably think could affect your responsibilities to SOSE and to the public or could influence your actions or decision making. The registered interests may be used within SOSE to identify relevant interests relating to SOSE activity.

3.4 What about the interests of family members?

Close family is defined within Accounting Standards as “those family members, or members of the same household, who may be expected to influence, or be influenced by, that person in their dealings with SOSE.” It includes:

- The individual’s children and spouse or domestic partner;
- Children of the individual’s spouse or domestic partner; and
- Dependents of the individual or the individual’s spouse or domestic partner.

Board members and staff are only required to register direct (personal) interests but may also voluntarily register family interests. The most common category of family interests is likely to be the financial interests of close family members. Should a situation arise where a Board member or staff member feels their involvement or association with a venture could be viewed ambiguously then this should be declared, and advice sought from the Corporate Office.

4. Declaration of Interests

Board/staff members will complete a declaration of interest on appointment and should make SOSE aware of any declarations of interest as soon as possible, the declaration of interest form can be found on the Hub. Corporate Office will maintain a register of all Board member interests, HR maintain the register for all staff member interests. Board or staff members should also request that minutes or notes of meetings record any relevant interests.

[SOSE Declaration of Interest form](#)

4.1 What is a ‘material’ interest?

Public confidence in SOSE depends on it being clearly understood that decisions are taken in the public interest and not for any other reason. Board members and staff should only play a role in any decision-making process if they can demonstrate objectivity.

In considering whether an interest is material (significant), an individual must consider not only whether they will be influenced but also whether any reasonable person would think that they might be influenced. The test is whether a member of the public, acting reasonably, might think that a particular interest could influence the decision made (the public perception test).

Interests may be financial or non-financial but there is a particular risk in respect of financial interests. In the case of a financial interest, there should be a presumption that the interest is material and that the conflicted Board/staff member should withdraw from playing any part in the process.

Board/staff members should also be aware of situations when it would be appropriate to declare relevant interests of close family or friends (indirect interests). What do you do if you have a material interest?

Where a material interest exists, either direct or indirect, objectivity will always be assumed to be impaired. This will be the case irrespective of the category of the organisation that the Board/staff member has the interest in (e.g. Private sector, public sector, voluntary sector or community organisation).

Where a person is deemed to have a material interest, they should declare this interest and take no part in the discussion or decision-making process in relation to the matter. This includes:

- Not being present at the relevant part of a Board, Committee or other meeting and not participating in discussions or having any kind of involvement or influence
- Not receiving any relevant papers (including minutes) in relation to the matter. If papers have been received inadvertently, they should be returned intact at the earliest opportunity
- Not being copied in on any e-mails or other correspondence in relation to the matter
- Not using his or her position to try and improperly influence a decision by, for example, asking or directing another person to represent their interests or views at the meeting
- Not making any public comment about the matter at any time, inside or outside meetings (including to the Press)
- For Board or Committee meetings, it is the responsibility of the meeting Chair to decide whether the declared interest requires the individual to be absent for the discussion or may be present but not take part in decision making.

Where a staff member has removed themselves in the case of a conflict of interest from decision making, then the authorization guidance should be taken from the delegated authority policy. Where relevant this should be escalated to the appropriate next level.

4.2 What if you are unsure as to whether you have a material interest?

Where a Board/staff member is unsure as to whether or not an interest is material or what action to take in a given situation, they should seek the advice of Corporate Office or HR for staff members who will provide guidance.

5. Board Member Legislative Requirements

As an appointed Board member of a public body, SOSE Board members are bound by the following legislation:

- Ethical Standards in Public Life (Scotland) Act 2000
- SOSE Code of Conduct 2022

5.1 Gifts and hospitality

For any potential conflict of interest arising from gifts or hospitality, please refer to SOSE's guidance on Gifts and Hospitality.

5.2 Appointments to outside bodies as a representative of SOSE

SOSE Board and staff members who are invited to join another organization in a board member capacity as a SOSE representative, should seek prior approval from the Chief Executive and should record the appointment in the appropriate register of interest.

Annex 1: The Principles of Conduct

Principles of Conduct (based on the nine Scottish principles of conduct underpinning public life):

Selflessness: You should take decisions solely in terms of the public interest. You should not do so in order to gain financial or other material benefits for yourself, your family, or other friends.

Integrity: You should not place yourself under any financial or other obligation to outside individuals or organisations that might influence you in the performance of your official duties.

Objectivity: In decision making, including making public appointments and awarding contracts, you should make choices and decisions based on merit and without undue influence.

Accountability and stewardship: You are accountable for your decisions and actions to the public and must submit yourself to the relevant scrutiny from the Scottish Government and the public..

Openness: You should be as open as possible about all the decisions and actions that you take. You should give reasons for your decisions and which may only be restricted under specific circumstances.

Honesty: You have a duty to declare any private interests relating to your public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Duty: You have a public service duty to act in the interests of SOSE and in accordance with the core tasks of SOSE.

Leadership: You should promote and support these principles by leadership and example.

Respect: You must respect Board members and staff of SOSE and the role they play, treating them with courtesy at all times.