

Consumer Scotland

**Annual Report and Accounts
2023-2024**

Laid before the Scottish Parliament by Consumer Scotland in pursuance of the
Public Finance and Accountability (Scotland) Act 2000, October 2024

(CS/2024/02)

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Performance Report

Overview

The purpose of this overview is to give a short summary of Consumer Scotland, its objectives, performance during 2023-2024, the principal risks it faces and a summary of future plans. It is supported by a more detailed performance analysis.

Chair's Foreword

I am pleased to publish our Annual Report and Accounts for 2023-2024, outlining the activities of Consumer Scotland during our second full year of operation. I do so with sincere thanks to our staff and my fellow board members Nick Martin, Angela Morgan, James Walker and Lesley Halliday.

Consumer Scotland is the statutory body for consumers in Scotland. Established by the Consumer Scotland Act 2020, it is independent from the Scottish Government and accountable to the Scottish Parliament. We are funded through a combination of grant funding from the Scottish Government and Grants in Aid from sponsoring bodies' funding from consumers in the regulated markets of energy, water and post.

Consumer Scotland's purpose is to improve outcomes for current and future consumers and its strategic objectives are:

- to enhance understanding and awareness of consumer issues by strengthening the evidence base
- to serve the needs and aspirations of current and future consumers by inspiring and influencing the public, private and third sectors
- to enable the active participation of consumers in a fairer economy by improving access to information and support

During the year, we were delighted to welcome Lesley Halliday onto the Board. She brings a wealth of business and legal experience and adds to the breadth and depth of skills across our Board and Executive Team. The existing Board members have all been reappointed by the Minister for Community Wealth and Public Finance for periods of 3-5 years allowing for continuity during Consumer Scotland's early years and creating a staggered exit/succession plan.

The Board has worked closely with the Executive Team during the year to build on the solid foundations from our first year and continuing to develop Consumer Scotland through the publishing of our four year Strategic Plan and our work programme in the Grants in Aid from sponsoring bodies' funded areas of energy, post and water for 2023-2024, as well as creating a platform for new functions and funding streams over the coming years. In addition to the work of our main Board, our activities are overseen by our Audit and Risk Committee chaired by Nick Martin and we bring in specialist advice and challenge through an Advisory Committee on Consumers in Vulnerable Circumstances, chaired by Angela Morgan.

In 2023-2024 we continued our development as an organisation, built further our staff, processes and resources at a considered and sustained pace to allow us to take on our statutory functions including launching our first investigation – "Converting Scotland's Home Heating"ⁱ. Consumer Scotland now has approximately 35 staff who work in one of three directorates: Operations; Policy and Advocacy; and Research, Analysis and Investigations. Our teams are working on a broad range of issues facing consumers in Scotland, in collaboration with other consumer advocacy organisations and statutory bodies.

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The Board has worked closely with the Executive Team to create a culture of excellence, transparency and independence. Overall, in our second year we have had a strong impact and continued to lay strong foundations to deliver better outcomes for consumers in the years ahead.

A handwritten signature in black ink, appearing to read 'David Wilson', with a stylized, cursive script.

David Wilson
Chair
24 September 2024

Chief Executive Statement

Consumer Scotland's second year saw us reach the point of working across our statutory areas of responsibility as we published draft guidance on the Consumer Duty on public bodies, began preliminary work on our first investigation on *Converting Scotland's Home Heating* and initiated work with the Office of Product Safety and Standards on the register of recalled goods that they have established.

Our consumer advocacy function continued to develop as we delivered our Work Programme 2023-2024, focusing on our key themes of the cost of living, climate change adaptation and mitigation and consumers in vulnerable circumstances. This work spanned a broad spectrum of areas and activity, including water efficiency, energy affordability, decarbonisation of postal services and recommendations on how to support consumers who are vulnerable as a result of the transition to VoIP communication services.

Underpinning all our advocacy activity is the robust evidence base that our economists, consumer researchers, intelligence analysts and policy specialists are developing. In 2023-24 this has included preparations for our statutory requirement to publish a Consumer Welfare Report in 2026.

In 2023-2024, Consumer Scotland continued to fund consumer information activity supporting Trading Standards Scotland *Shut Out Scammers* campaign and Citizen Advice Scotland's *Worried this Winter* energy awareness campaign. To further support the work of our partners in tackling scams we funded Advice Direct Scotland to deliver a consumer portal and trusted trader directory integration project.

Our strategy

Our Strategic Plan for 2023-2027 continues to set our purpose, ambition, strategic objectives and our partnership approach. To deliver that strategy we have developed an effective and efficient, value-driven organisation to make a positive difference for consumers.

In December 2023 we published our Performance Frameworkⁱⁱ and will deploy that to continually reflect on how we work as an organisation, seeking ways to improve. In 2023-2024 that included establishing a Strategic Partnerships function, which will grow to help draw together different aspects of our role and provide leadership in the consumer sector. This will include our roles in convening the Consumer Network for Scotland and the Energy Consumers Network.

Our people

In our second year the value of bringing together people with a range of expertise and experience into the organisation to bring their focus onto consumer issues is bearing fruit. The combination of policy, analysis, research and communication skills enables us to thoroughly engage with issues and develop robust recommendations. We have invested significant time into working across teams and disciplines and as a whole we are greater than the sum of our parts. Our people are our core strength and their commitment and focus has elevated our still young organisation.

Resourcing and capability

During the year, our core staff grew to 35 and we continue to make use of short term secondments and loans to support on specific projects including the development of guidance for public bodies on the consumer duty. In the year ahead, we will continue to embed effective workforce planning which will enable us to make maximum use of our people's skills, knowledge and experience. We aim to effectively retain, engage and invest in our people.

Leadership stability

Consumer Scotland's leadership structure is composed of an Executive Team, comprised of the Chief Executive and three Directors, and a Senior Leadership Team which also includes the executive and the heads of teams across the organisation. We continue to review roles and responsibilities, ensuring they are appropriate and effective as the organisation develops.

Organisational Governance

Consumer Scotland now has in place a full suite of corporate services to enable effective and efficient governance of the organisation. We continue to contribute to the wider Public Service Reform agenda and our recent move to shared accommodation presents opportunities to achieve best value for public expenditure.

Board Governance

The Board and Audit and Risk Committee (ARC) has met regularly during the year. Its advice and guidance has continued to support the Executive team to successfully develop the organisation. During the year the Scottish Government appointed a fifth member, Lesley Halliday, to the Board, which has now reached the maximum size permitted by the Consumer Scotland Act 2020.

New Functions

In 2023-24, we worked to reach agreements with the Scottish Government to take on additional advocacy-related functions in 2024-2025. In December 2023 it was agreed that Consumer Scotland would take on provision of grant funding to Citizen's Advice for those aspects of its UK Consumer Work Plan that relate to Scotland. In April 2024 it was further agreed that Consumer Scotland would fund Citizens Advice Scotland to deliver its Consumer Advocacy Work Plan. Over time these new arrangements will support the development of our wider ambition to increase coherence across the consumer advocacy sector.

It was also confirmed that from April 2025, Consumer Scotland will take on statutory responsibility for heat networks advocacy and advice in Scotland, activity that will be funded from a new heat networks levy. Preparation for that role will begin in 2024-2025.

Conclusion

Substantial consumer policy issues were at the fore in many sectors during 2023-2024. Our research continued to highlight the need for reform of our energy system, infrastructure and affordability schemes. The challenge of achieving a sustainable, affordable, high-quality water sector in the face of climate change was a focus of our research and will become more prominent as the Strategic Review of Scottish Water's Charges for 2027-2033 gets

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underway in 2024-2025. The key importance of communications to people's daily lives became more prominent as proposals on the Universal Postal Service, and telecoms, were debated. Our research on the consumer experience of accessing legal services in Scotland has provided insight into what consumers need from service providers, and the regulatory system, as the Regulation of Legal Services Bill began its passage through the Scottish Parliament.

In all of these issues, and more, Consumer Scotland's evidence base, and its statutory role of representing consumers, helps ensure that they are heard when decisions are taken. I am conscious of the responsibility this places upon our organisation, and proud of our team as they work to improve the lives of current and future consumers.



Sam Ghibaldan
Chief Executive
24 September 2024

Statement of Purpose

What we do

1. Consumer Scotland is the statutory body for consumers in Scotland. Established by the Consumer Scotland Act 2020ⁱⁱⁱ, it is accountable to the Scottish Parliament. Consumer Scotland's purpose is to improve outcomes for current and future consumers and its strategic objectives are:
 - to enhance understanding and awareness of consumer issues by strengthening the evidence base
 - to serve the needs and aspirations of current and future consumers by inspiring and influencing the public, private and third sectors
 - to enable the active participation of consumers in a fairer economy by improving access to information and support
2. To achieve this we work collaboratively with a wide range of partners who have expertise in consumer issues.

What we are

3. Consumer Scotland is a non-Ministerial Office (NMO) and was vested on 1st April 2022. This means we are part of the Scottish Administration but not part of the Scottish Government, ensuring our operational independence.
4. In March 2023 we published our Strategic Plan for 2023-27^{iv}.
5. Consumer Scotland publishes an annual Work Programme with the latest version for FY2024-2025^v, being laid before Parliament and published in March 2024.
6. Consumer Scotland's core funding is set out in the Scottish Government's Budget Bill each year and approved by the Scottish Parliament. In addition, Consumer Scotland receives Grants in Aid from the UK and Scottish governments to fund activity in the electricity, gas, postal and water sectors. In 2023-24, Consumer Scotland also received UK Government funding for heat networks activity for the first time.

Our structure

7. Consumer Scotland was set up under the Consumer (Scotland) Act 2020, with business activities commencing in 2022. Consumer Scotland has further developed its structure over 2023-24 to enable it to fully take on its statutory role and functions.

Table 1: Our structure

Board		
Chief Executive and Accountable Officer		
Director of Analysis, Research and Investigations	Director of Policy and Advocacy	Director of Operations (Deputy Accountable Officer)
Analysis	Energy	Strategic Partnerships
Research	Water	Governance
Investigations	Post	Finance
	General Markets	Corporate Services
		Communications

Board members

- David Wilson (Chair)
- Lesley Halliday
- Nick Martin
- Angela Morgan
- James Walker

8. Board member attendance at meetings was 97%.

Executive and Senior Leadership Teams

- **Chief Executive:** Sam Ghibaldan
- **Director of Operations:** Sue Bomphray
- **Director of Analysis, Research and Investigation:** David Eiser
- **Director of Policy and Advocacy:** Douglas White
- **Assistant Director - Strategic Partnerships:** Jill Rosie (appointed December 2023)
- **Head of Communications:** Andy Denholm
- **Head of Investigations:** Craig McClue (appointed November 2023)
- **Head of Energy:** Kate Morrison
- **Head of Analysis:** Eleanor Mullan
- **Head of Policy and Markets:** Tracey Reilly
- **Head of Water and Post:** Gail Walker
- **Head of Research:** Jane Williams

Statutory remit

9. Consumer Scotland is the statutory, independent body for consumers in Scotland. We were established by the Scottish Parliament to advocate on behalf of consumers and represent consumer interests.
10. Our remit is set by the Consumer Scotland Act 2020. The Act established Consumer Scotland as a Non-Ministerial Office, accountable to the Scottish Parliament, and with a scope to cover the public, private and third sectors. On 1st April 2022 Consumer Scotland formally came into existence.
11. Under the Act, Consumer Scotland has the power to require information from a wide range of organisations, and the ability to provide guidance to public authorities in relation to their duty to have regard to consumer interests.

Table 2: Our Statutory Remit

Our Statutory Remit					
Functions					
Advocacy and advice	Representation	Research and investigation	Information	Recall of goods	The Consumer Duty
Areas of Focus					
Reducing harm to consumers	Increasing consumer confidence	Encouraging public bodies to address consumer matters	Promoting sustainable consumption	Advancing inclusion, prosperity and wellbeing	

12. Consumer Scotland is committed to building a strong, effective, and sustainable organisation capable of delivering on its objectives over the long term. We strive to be a high-performing, forward-looking organisation that is able to respond to changing circumstances and evolving consumer needs and expectations.

National Performance Framework

13. The work of Consumer Scotland contributes to the delivery of the National Outcomes (The Community Empowerment (Scotland) Act 2015 section 1^{vi}), set out in the National Performance Framework^{vii}. The wellbeing of consumers is relevant across all aspects of the National Performance Framework. Through our work, Consumer Scotland advances the interests and priorities of consumers, strengthening their position in society and the economy and putting the consumer interest at the heart of the achievement of the National Outcomes for Scotland. During 2023-24 we engaged with the Scottish Government on its review of the National Outcomes, contributing to a more explicit recognition of consumers within the revised Outcomes framework.

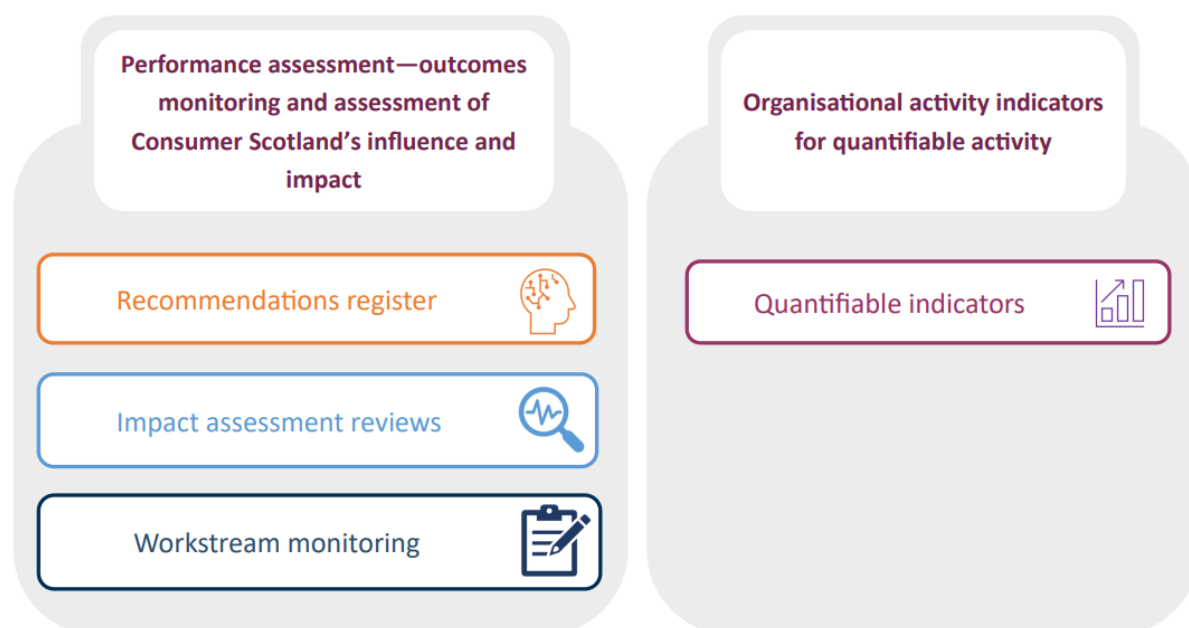
Performance summary

14. This report is produced in accordance with HM Treasury's published 'Government Financial Reporting Manual 2023-2024^{viii}'.

Performance Framework

15. As a Non-Ministerial Office accountable to the Scottish Parliament, Consumer Scotland is committed to being transparent about its performance, its influence and its impact.
16. Consumer Scotland published its Performance Framework^{ix} in December 2023 with a view to reporting against this from FY2024-25. The Performance Framework is the means by which we measure our functioning as an organisation and the impact that our work has. Our approach is to use that information to improve our future performance.
17. There are two key components of Consumer Scotland's Performance Framework shown in Figure 1 below.
18. The first is a set of organisational activity indicators. These are designed to provide an overview of our activities in four areas: governance and operations; strengthening the evidence base; inspiring and influencing; and enabling consumer participation.
19. The indicators are reported quarterly to the Board, and will be published annually in our annual report and accounts. The full list of organisational activity indicators and outputs for Q4 2023/24 is shown in Figure 2.
20. The second key element of the Performance Framework is the Performance Assessment - a range of activities designed to capture Consumer Scotland's impact and influence more broadly. The Performance Assessment is informed by a detailed Theory of Change model, which describes how we expect our activities to influence stakeholders and contribute to change.
21. There are three aspects to the Performance Assessment:
 - Workstream monitoring: the gathering of relevant, robust and proportionate evidence across the breadth of our activity, on an ongoing basis. The evidence includes publications, stakeholder engagement and broader advocacy activity.
 - Recommendations register: Consumer Scotland will track the progress of the recommendations that it has made, reviewing and recording progress, tracking outcomes, and using this to help maintain our focus on them in ongoing advocacy.
 - Impact assessment reviews: Development and publication of a number of Case Study reviews each year to evaluate the impact of our work in an area and identify any lessons to be learnt.

Figure 1: Summary of Consumer Scotland's Performance Framework



Reporting for the Organisational Activity Indicators commenced from Q4 FY2023-24 with trends being developed over time.

Indicator	Definition	Target/ Trend*
Strengthen evidence base to enhance understanding of consumer issues		
Publications	Number of reports, briefings and blogs published on our website	Trend
Website interaction	Number of views of Consumer Scotland pages on the website including publications, news releases, blogs and consumer support	Trend
Data Sharing Agreements in place	The number of signed data sharing agreements in place with key partners	Trend
Enable active participation through improved access to information and support		
Stakeholder engagement	Number of multi-stakeholder meetings and events hosted/ convened by Consumer Scotland	Trend
Inspire and influence the public, private and third sectors		
Social media engagement	Number of views and reposts on LinkedIn and/or X	Trend
Media coverage	Number of "Opportunities To View" (readership of the specific publication)	Trend
Public Policy Influence	Number of mentions in Parliamentary/Government business and publications	Trend
Governance and operations		
Payments	Proportion of invoices paid within 10 days	100%
Freedom of Information	Proportion of FOI requests received and responded to within 20 days	100%
CS creates context for Ministers to appoint a 50% female board	The 2018 Act requires that 50% of the authority's non-executive board members are women. If the authority has an odd number of non-executive board members, the gender representation objective applies as if there was one fewer non-executive	50%
Staff Engagement	Staff engagement scores as measured by benchmarked survey to be run from FY2024-25	60%

* For some indicators we have set an explicit numerical target. In other cases, rather than set an explicit target we will instead monitor and report on trends in these indicators over time, with 2023/24 effectively acting as a baseline

Figure 2: Consumer Scotland Organisational Activity Indicators Progress – Q4 2023-24

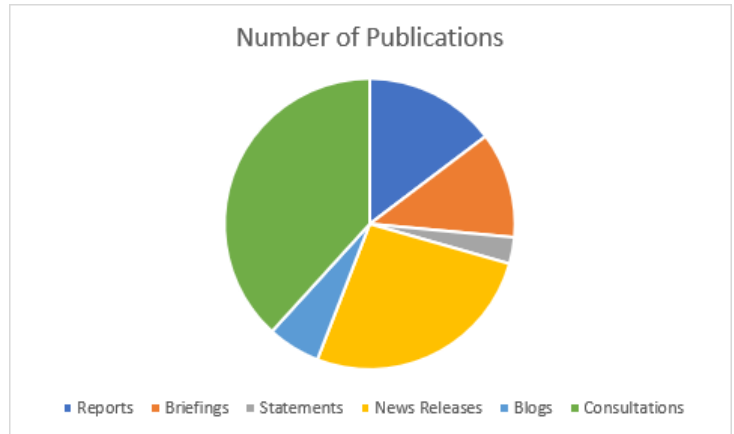
Strengthen evidence base to enhance understanding of consumer issues

Publications

Measure: Number of publications including reports, news and blog posts

Total publications: 34

Reports: 5
Briefings: 4
Statements: 1
News releases: 9
Blogs: 2
Consultations: 13



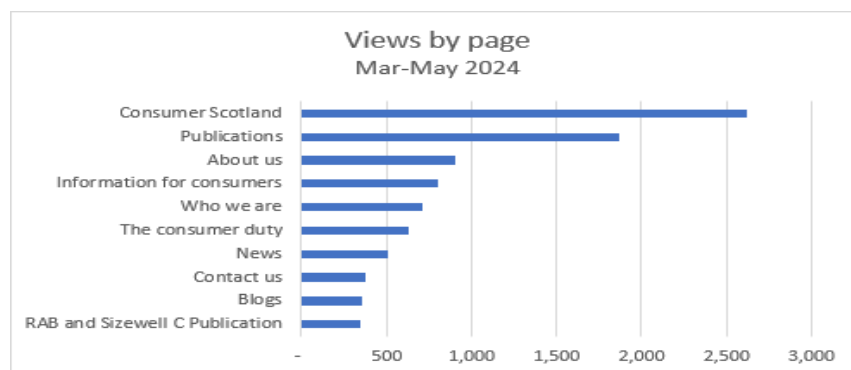
Website Interaction

Measure: Number of views of Consumer Scotland pages on the website

Headline Figures

Total views	18,767
Total users	3,786
Total new users	3,152
Average engagement time	2:08

The top five most viewed pages were the Consumer Scotland homepage (2,624), Publications (1,872), About Us (908), Information for Consumers (803) and Who we are (710).



Data Sharing Agreements in place with key partners – 3

Enable active participation through improved access to information and support

Stakeholder Engagement

Measure: Number of multi-stakeholder meetings and events hosted/convened by Consumer Scotland

Number of events and meetings: **4**

Inspire and influence the public, private and third sector

Social Media Engagement

Measure: Number of views on LinkedIn and X (formerly Twitter)

Total social media views: 22,176

LinkedIn: 10,395 views

X: 11,781 views

Media Coverage

Measure: Number of 'Opportunities to View' related to media circulation figures

Total opportunities to view: 560,944

Public Policy Influence

Measure: Number of mentions in Parliamentary/Government business and publications

Number of mentions: 10

Governance and Operations

Payments – proportion of invoices paid within 10 days – **100%**

Freedom of Information – proportion of FOI requests responded to within 20 days – **100%**

CS creates context for Ministers to appoint a 50% female board¹ – **50%**

Staff engagement - measured by benchmarked survey to be run from FY2024-25

¹ The 2018 Act sets a "gender representation objective" for listed public authorities, namely that 50% of the authority's non-executive board members are women. If the authority has an odd number of non-executive board members, the gender representation objective applies as if there was one fewer non-executive member.

Table 3: Consumer Scotland's Second Year

5 Board members	£3.8M budget	Statutory Consumer Duty guidance published
2023-24 Work Programme delivered	£0.44M grants issued	Performance framework published
Advisory Committee for Consumers in Vulnerable Circumstances established	36 research projects undertaken	2024-25 Work Programme laid before Parliament & published
35 permanent staff 3 temporary staff	Development of Strategic Partnerships function	36 consultation responses
Preliminary work on first investigation underway	Accommodation sharing arrangement established across 2 sites	24 publications

Strategic Risks

22. Our Strategic risks are identified, monitored and assessed regularly by the Executive Team, the Audit and Risk Committee and the Board, in line with our risk management framework. In 2023-2024, our key strategic risks are listed below with further detail on mitigation, controls and actions given at para 34:

- **Finance** – the risk that significant cuts or fluctuations in core and Grants in Aid from government bodies funding result in a lack of resources to maintain rigorous and robust impact. This risk is rated as medium due to the prevailing fiscal conditions.
- **Finance** – the risk that the current Consumer Scotland finance set-up with Scottish Government does not provide Consumer Scotland with the visibility, control and ownership of the end-to-end financial process. This risk has fluctuated over the year with the concerns over the readiness of the new Scottish Government Oracle finance system which was due to be implemented in April 2024. This has now been moved to October 2024 and consequently our risk score has reduced slightly but remains high.
- **Governance** – the risk that Consumer Scotland does not have a robust Governance framework in place to ensure compliance on finance, corporate governance, statutory reporting, control environment and systems of internal control requirements e.g. value for money, effective risk

management/mitigation. This risk has decreased further during the year as we have built our Governance Framework and utilised the support and advice provided by our Internal Auditors to ensure proper process is followed and awareness of the risk of non-compliance as well as strong governance and quality assurance mechanisms in place within procedures. Our most recent Internal Audit report recommends that this risk be rated low and moved to our Operational Risk Register.

- **Reputational** – the risk that Consumer Scotland does not progress its work programmes, or outputs are not seen as evidence-led and impactful, leading to questions about our relevance and influence thus impacting our reputation. This risk has reduced to medium.
 - **People** – the risk that a failure to recruit, develop, support and retain the right number of staff with the right capabilities which then undermines the ability of Consumer Scotland to deliver its work programme. This risk remains low and will be moved to the Operational Risk Register.
 - **Strategic** – the risk that Consumer Scotland is not able to deliver its statutory functions that require significant development work - due to reasons including a lack of clarity in the underpinning legislation or insufficient funding to resource the requirements. As a young organisation, this risk remains high.
 - **Project/Programme** – the risk that Consumer Scotland's structure and operating model is not agile enough to respond to the changing consumer and legislative landscape and potential new “asks” at pace leading to an inability to respond to the landscape and reputational damage.. This risk is rated as medium.
 - We have added two new low-medium risks this year relating to our new investigations function.
 - **Finance** - risk that Consumer Scotland is subject to legal action as a result of its investigations activity. This risk is assessed as relatively low.
 - **Reputational** - risk that Consumer Scotland’s investigations are perceived to have had more limited impact on consumer outcomes than some would expect. This risk is assessed as medium
23. Mitigation strategies and key controls have been considered for our major risks taking account of our risk appetite. These measures are being embedded in our processes and inform our Strategic Plan.
24. In addition to our Strategic Risk Register, we maintain an Operational Risk Register which is reviewed regularly with our staff, Senior Leadership Team and Executive Team.

Performance Analysis

This section provides a review of Consumer Scotland's performance in 2023-2024. It reports performance against the core functions and workstreams set out in our 2023-24 Work Programme, alongside our staffing, risk profile, financial performance, non-financial information, and our wider context and future plans.

Measuring Our Performance

A central function of Consumer Scotland is to deliver research, analysis, policy and advocacy activity on matters of importance to consumers.

We take an outcome-based approach to our work. Each workstream in our Work Programme has an identified outcome that will improve the situation for consumers in Scotland. Many of these outcomes will require substantial, long-term action involving government, business, service providers, regulators, enforcement agencies, representative groups and advice organisations to achieve lasting impact. Each of these sectors has an important contribution to make to the process of change and Consumer Scotland works closely with these partners and others in the work that we undertake.

Our review of our performance below describes the specific activities that we have carried out in 2023-24 to support progress towards the outcomes that matter for consumers. Many of our workstreams will form part of a multi-year approach to policy and advocacy issues across our strategic priority areas. We also describe our partnership approach and the work we have undertaken with different organisations to advance these areas of work in 2023-24.

Core Functions

Function	Aim in 2023-2024	Analysis of Performance
Research and Analysis	<p>Our research will address: critical issues such as the impact for consumers of proposed policy changes in specified markets; the experiences of consumers in key markets and in the wider economy and how these can be improved; consumer attitudes towards major issues and the implications arising from these.</p> <p>This evidence base will provide the foundation for Consumer Scotland's policy and advocacy activity in 2023-2024. We will also publish and promote our evidence streams, to enable proactive engagement by policymakers, regulators, businesses and enforcement bodies on the issues that matter for consumers.</p>	<p>Our Research and Analysis work provides the evidence base which underpins the progress towards outcomes presented in the subsequent Tables, which sets out our analysis of performance against the workstreams in our 2023-24 Work Programme. These Tables are: Cross-Market, Energy, Post, Water and Consumer Markets.</p> <p>In addition to this work, we undertook a number of specific Research and Analysis activities in 2023-24. This included scoping work for the Consumer Welfare report, work to develop a new research framework for externally commissioned research and the agreement of a new data sharing agreement with Advice Direct Scotland.</p> <p>We developed Consumer Scotland's approach to impact measurement, publishing our new Impact Framework and developed our approach to publication of complaints statistics in the energy and post sectors.</p> <p>We provided support to the Competition and Markets Authority in its scoping and design of the Consumer Protection Study 2024. We participated in the advisory group for the study and provided funding to increase the Scottish sample to allow more robust statistical analysis to be undertaken on findings.</p> <p>We published a number of outputs during the year on the ongoing impact of price rises in different markets for consumers in Scotland and deployed a microsimulation model of the Scottish economy to support our analysis of the impact on households of changes to prices or charging policy.</p>
Advocacy and Representation	<p>Consumer Scotland will take a clear, open and robust approach to promoting the consumer interest across the workstreams set out in the Work Programme.</p>	<p>The details of our Advocacy and Representation work are presented in the subsequent Tables, which sets out our analysis of performance</p>

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	<p>Our advocacy work will be rooted in a high quality evidence base and linked to internationally recognised consumer principles about what positive outcomes for consumers should look like. We will use this principled, evidence-based approach to provide clear, tangible recommendations on the improvements we think should be delivered for households and small businesses across key markets.</p> <p>Our recommendations will: identify changes that need to be made to tackle or prevent harm for consumers widen adoption of best practice; and highlight new opportunities for improvements that will benefit consumers</p> <p>Our advocacy work will be driven by our partnership approach, and we will work closely with stakeholders to ensure that the consumer perspective is heard, understood and acted upon across the markets that we engage in.</p>	<p>against the workstreams in our 2023-24 Work Programme. These are Tables are: Cross-Market, Energy, Post, Water and Consumer Markets.</p> <p>Application of the consumer principles, underpinned by robust evidence and market-specific analysis and expertise was central to the delivery of each of these areas of our work. Across the workstreams reported on in the Tables below we provided recommendations to government, industry and regulators through formal reports, briefings, consultation responses and evidence submissions, as well as through our participation in a wide range of expert working groups and stakeholder engagement processes. As detailed below, collaborative working with a range of partners was a core function of our approach to this work.</p>
Access to Information and Advice	<p>We will help to support, facilitate and coordinate the provision of advice and information to consumers, working with key partner organisations to promote their services, and identify gaps in provision across the consumer landscape. We will promote a joined up system for consumers, working closely with partners through the Consumer Network for Scotland and the Consumer Protection Partnership.</p>	<p>We have developed our website to include a specific 'information for consumers' section. We have worked to ensure it is user-friendly and clearly signposts advice and information from across the consumer landscape on topics including product safety, general advice, financial advice and reporting an issue.</p> <p>We convened and managed the Consumer Network and Energy Consumers Network throughout the year, providing opportunities for enhanced sharing, learning and coordination across the advice and information landscape in Scotland. We also continued to engage in a number of the UK Consumer Protection Partnership governance and working groups. Further details on these activities are provided in the subsequent Tables.</p> <p>We now have arrangements in place to deliver grant funding to Citizens Advice (England and Wales) to ensure the interests of Scottish</p>

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		<p>consumers are reflected in GB-wide decision-making and to help identify opportunities to collaborate and complement our respective work priorities.</p> <p>To achieve better joined up working across the advice and advocacy sectors, we have also created quarterly policy forums with our advice partners.</p>
Consumer Duty	<p>The Consumer Duty is designed to help relevant public authorities consider the impact of strategic decisions on consumers in Scotland. Consumer Scotland will be responsible for issuing guidance to public authorities covered by the Duty. The secondary legislation identifying the public bodies to be covered by the Duty is being developed by the Scottish Government. In 2023-2024, we will start implementing the findings from a scoping review we have commissioned on how we should deliver our statutory role and continue to build our overall approach and capacity to ensure we are ready to take action once the secondary legislation is in place and the Duty is in force.</p>	<p>We published Draft Guidance for Public Bodies on the consumer duty in March 2024 ahead of the duty coming into force on 1 April. The draft guidance was supported by a communications plan to help raise awareness amongst those who need to consider the duty in their decision-making.</p> <p>The draft guidance includes specific guidance for senior decision makers and for those carrying out impact assessments. We convened an external advisory group to provide input to the guidance development process. This group included representatives from the Scottish Public Services Ombudsman, Food Standards Scotland, Trading Standards Scotland, Transport Scotland, Scottish Rail Holdings, COSLA, the Improvement Service and the Scottish Government.</p> <p>The draft guidance is published for public consultation and we will publish final guidance ahead of the duty's implementation period ending on 31 March 2025.</p>
Investigations	<p>In 2024-2025 we will develop the options identified through our early scoping work on our investigations role and determine the structure and focus of our investigation approach. We will build our approach and capacity accordingly to support the delivery of this function.</p>	<p>We undertook substantial work to develop and begin delivery on our Investigations role during 2023-24.</p> <p>We appointed our Head of Investigations and formalised our internal governance arrangements for conducting investigations.</p>

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		<p>We wrote to a number of regulators and advice organisations to invite inputs to the development of our pipeline of potential investigations. We undertook a public consultation exercise on our prioritisation criteria for initiating an investigation, alongside the consultation on our Draft Work Programme.</p> <p>We began the pre-investigation stage of our first investigation.</p>
Recall of Goods	<p>The Consumer Scotland Act gives Consumer Scotland a duty to establish, or secure the establishment and operation of, a publicly available database of recalls of goods in Scotland, where either there is a significant risk to individuals or the scale of recall is significant. We have carried out early scoping and stakeholder engagement activity in 2022- 2023 to identify options for the most effective delivery of this function for consumers. We will continue this work in 2023-2024.</p>	<p>We have worked in partnership with the Office of Product Safety Standards during 2023-24 to ensure best value and prevent duplication across the UK-wide landscape, and to avoid confusion for consumers seeking advice.</p> <p>Within the dedicated product safety section, our website now signposts consumers seeking advice on product safety and the recall of goods to the OPSS webpage. The webpage also provides consumers with the opportunity to receive product safety alerts.</p> <p>We also submitted a response to the OPSS consultation regarding the reform of the product safety regime and are active members on the OPSS Consumer Reference Panel.</p> <p>Through our wider work on protecting consumers from harm, we have worked in partnership with Trading Standards Scotland and Advice Direct Scotland on raising awareness around rogue trader and scam activity with a focus on energy efficiency products and services. This includes providing funding to support the Shut Out Scammers campaign 2024, through a prime time TV advert on STV and, a Trusted Trader Portal Project.</p>

Cross Market

Workstream	Intended Outcome(s) Contributed Towards	Analysis of Performance
Consumer Network and UK Strategic Partnerships	<p>A collective approach to advancing consumer issues in Scotland, with the expertise and activities of partners amplified through a collaborative approach which enables members to achieve better outcomes for consumers by working together</p> <p>Issues affecting consumers in Scotland are appropriately understood, considered and acted upon within the UK-wide consumer protection architecture.</p>	<p>Following our reestablishment of the Consumer Network for Scotland in 2022-23, we continued to convene the Network during 2023-24, delivering a regular platform for collaboration and learning across the consumer landscape. We agreed a Network workplan and a cooperation agreement between Network members, and established new sub-groups to consider the impacts of technology for consumers experiencing compound vulnerabilities and on maximising the impact of ADR systems for consumers.</p> <p>During the course of the year Network members and guest speakers presented evidence and discussed potential action to improve the position of consumers across a range of topics. These included online safety, digital markets, the domestic energy efficiency market, dispute resolution systems and the cost of living. Network members also participated in a one-off session with Scottish Government officials as part of the review of the National Performance Framework, providing a series of recommendations as to how the consumer interest can be strengthened in the refreshed framework.</p> <p>Consumer Scotland continued to be an active member of the UK Consumer Protection Partnership during the year, participating in the Operations and Intelligence groups, as well as contributing to the working groups on parcel charges and home energy efficiency. We also participated in the BSI Consumer Forum throughout the year. Through these engagements we ensured that the interests of consumers in Scotland were taken account of in relevant UK policy processes.</p>
Consumers and the NPF	An increased focus on consumers in the National Performance Framework, with key consumer outcomes and priorities embedded at the heart of public policy making in Scotland	We engaged with the Scottish Government-led review process for the National Performance Framework throughout 2023-24.

		<p>We facilitated a workshop with consumer bodies in Scotland and the Scottish Government to identify opportunities to strengthen the recognition of consumers in the refreshed National Performance Framework. A write-up from this workshop was submitted to the Government as part of its consultation process. We also submitted a detailed response to the consultation from Consumer Scotland.</p> <p>We were pleased that, following our engagement in this process, there is now recognition of consumers in the description narrative for the new Economy and Fair Work National Outcome.</p> <p>We continued to engage with the Scottish Government following the consultation process. We also submitted a formal consultation on the Government's related proposals for a Wellbeing and Sustainable Development Bill, further highlighting the need for improved consumer recognition in key legislation and strategies.</p>
Affordable Essential Goods and Services	<p>An increased understanding amongst businesses, regulators and policy makers of how different pricing models could be developed and applied to improve the affordability of essential goods and services for consumers in Scotland, including consumers in rural and remote areas.</p> <p>An increased adoption and uptake of pricing models that improve affordability for consumers in vulnerable circumstances</p>	<p>A cross-disciplinary team from across Consumer Scotland undertook desk-based research and analysis during 2023-24 to examine the effectiveness of existing affordability interventions in the energy, post, water and broadband markets, in the context of the cost of living crisis.</p> <p>We presented emerging findings from the work to our Consumers in Vulnerable Circumstances Committee, raising awareness of these issues amongst a wider group of organisations. The work has informed our engagement with stakeholders in each of the relevant markets during the year. The final report from our analysis will be published in summer 2024.</p> <p>We held a related, joint seminar with the UK Regulators Network in Edinburgh in November 2023 to examine the ongoing impact of the cost of living crisis and the impact of current interventions in addressing this. The seminar featured presentations from a number of UK economic</p>

		regulators, as well as consumer advice bodies and was attended by stakeholders from a wide range of sectors, increasing understanding of options for improving the affordability of essential goods and services across participating organisations.
Consumers at the Centre of Net Zero	<p>The approach to net zero in Scotland puts consumer priorities at the heart of design, development and solutions.</p> <p>Consumers across Scotland receive the ongoing, targeted support that they require in the transition to net zero, to help them make the wide-ranging and necessary changes required to their homes, daily routines and business practices.</p> <p>Policy makers, regulators and businesses have a clear, evidence-based understanding of consumer sentiment and participation in the transition to net zero, enabling the ongoing monitoring, development and adaptation of effective, consumer-centred policy interventions that maximise participation and ensure no one is left behind.</p>	<p>We published a substantial new research report on consumers and the journey to net zero.</p> <p>The report examined how consumers in Scotland are responding to decarbonisation, their future aspirations, the opportunities available to them and the barriers they are experiencing. It considered general consumer attitudes and behaviours, as well as specific areas of interest including the supply and use of water and energy in households and consumer behaviours in the transportation, parcels, food and drink, recreation and household goods sectors. The report was disseminated widely amongst key stakeholders and with the media. The report delivers against a Programme for Government request from the Scottish Government for Consumer Scotland to track consumer attitudes to net zero and provides a valuable baseline for ongoing monitoring of this issue in future.</p> <p>We commissioned follow up qualitative and quantitative research studies to examine a number of the issues from the report in greater depth.</p> <p>In June 2023, we hosted a joint event in Edinburgh with the Competition and Markets Authority to examine consumer priorities in the journey to net zero. The event featured presentations from regulators, advice bodies, small business representatives and consumer advocacy organisations and was attended by stakeholders from a range of different sectors, helping to further understanding of the key consumer net zero priorities amongst these groups.</p>

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		We submitted a detailed response to the Scottish Government's consultation on its Energy Strategy and Just Transition Plan.
The Priorities and Needs of Vulnerable Consumers	Consumer Scotland's work, across all of our functions, is underpinned by a deep understanding of the characteristics, needs, aspirations and experiences of consumers in vulnerable circumstances, resulting in more effective delivery and improved outcomes for all consumers.	<p>We established a new Advisory Committee for Consumers in Vulnerable Circumstances, to provide us with advice and constructive challenge in our work in this area. The Committee includes representatives from the third sector, industry and academia. The Committee has so far considered Consumer Scotland's strategic and research principles for engaging with consumers in vulnerable circumstances and our draft 2024-25 Work Programme. The Committee has also examined specific consumer issues, including affordability of essential goods and services, digital telephony and issues affecting consumers in rural areas, to provide advice on Consumer Scotland's approach to these matters.</p> <p>We published a comprehensive literature review on consumer vulnerability, examining the academic literature and the approach of regulators to consumers in vulnerable circumstances.</p> <p>These investments in our governance structure and evidence base have strengthened our advocacy across key issues of importance to consumers in vulnerable circumstances, helping us to achieve better outcomes for consumers in the different markets we operate in.</p>

Energy

Workstream	Intended Outcome Contributed Towards	Analysis of Performance
Energy Affordability	Governments, regulators and suppliers have an up-to-date, evidence-based picture of the ongoing impact of the energy crisis for consumers in Scotland. This will support the development and improvement of policies and interventions to mitigate the impact of the energy crisis, with a particular focus on consumers in vulnerable circumstances and the implications for meeting national fuel poverty targets.	We undertook two further waves of our Energy Tracker during 2023-24 to analyse the extent to which households face energy affordability challenges. We published a number of briefings on our analysis. The data informed our engagement with government, regulators, industry across a wide range of different working groups, bilateral meetings and consultation processes, helping to support the delivery of better consumer outcomes

		<p>We published a briefing on options for household energy bill support in Scotland in winter 2023-24. Ahead of the 2023 Autumn Statement we wrote to the UK Chancellor of the Exchequer to highlight the energy affordability challenges that many consumers in Scotland continue to face and to recommend further action. We welcomed the Minister for Energy Consumers and Affordability to our offices to discuss the energy crisis and our data and recommendations.</p> <p>We continued to engage with the Scottish Fuel Poverty Advisory Panel on the Fuel Poverty Strategy, feeding into their evidence sessions to help shape their recommendations to the Scottish Government. A number of these were accepted.</p> <p>We joined a regular quadrilateral group with the UK Department for Energy Security and Net Zero, Ofgem and Citizens Advice to consider short and long-term solutions to energy affordability. We provided data and insight to a high-level Ofgem roundtable on energy debt.</p> <p>We fed our policy insight and tracker data analysis on the distributional impact of pre-payment meters and debt alongside to Ofgem's consultations on improved protections for involuntary pre-payment meter installations and on debt-related costs within the price cap. We are starting to see uptake of our key messaging around distributional impacts on key consumer groups and will continue work to inform the regulatory and industry's view on how markets are designed to meet the requirements of all consumers and protect those in vulnerable circumstances.</p>
A Fair and Sustainable Energy Market	A fair and sustainable energy market where current and future consumers, including those in vulnerable circumstances, have access to affordable energy in markets that prioritise positive consumer outcomes.	<p>We published an initial assessment of the implications of the energy crisis for disabled consumers, drawing on data from our Energy Tracker and a call for evidence that we conducted with consumer advice organisations. We subsequently commissioned further research to better understand the energy requirements and associated additional energy costs that disabled people and those with health conditions experience. We engaged directly with consumers experiencing health conditions and representative</p>

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	<p>Reforms to the wholesale electricity market that take account of the priorities and needs of consumers in Scotland, supporting a just transition to net zero.</p>	<p>organisations as part of this work. We have published the interim findings from this research, raising awareness amongst key stakeholders on issues faced by high essential energy users and how these may be addressed. We will continue to advocate on their behalf in 2024/25.</p> <p>We contributed to a significant number of calls for evidence and consultation processes throughout the year, improving recognition and understanding of key issues of significance to energy consumers in Scotland. These included Ofgem's call for input on standing charges, the UK Government's consultation on Smarter Regulation which included a proposal for a single, multi-sector Priority Services Register, the Scottish Government's consultation on Pension Age Winter Heating Payment and an evidence submission to the UK Parliament Energy Security and Net Zero Committee inquiry on the fairness of customer energy bills. A number of our recommendations have been adopted including, DESNZ recognising the distributional impact of high essential energy users (explicitly those with medical equipment), the inclusion of the consideration of Scottish data gaps in the 'Tell us Once' PSR.</p> <p>We have engaged with Ofgem on a number of workstreams they have delivered during the year. This includes the regulator's work on enhanced data-sharing with a view to creating a 'Universal PSR' and the review of the Ofgem vulnerability strategy. We continued to participate in the Ofgem Consumer Group, the Ofgem Senior Stakeholder Group and the Domestic and Non-Domestic Supplier Liaison Groups.</p> <p>We participated in two Scottish Ministerial Working Groups on Small Business Energy Consumers and Vulnerable Energy Consumers, contributing our evidence and expertise to support these processes. Consumer Scotland and the Energy Consumers Network have a role as a Strategic Leadership Group on the Scottish Government's strategic Scottish Energy Advisory Board.</p>
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		<p>We established the Energy Consumers Network. The Network delivers a regular forum for front-line energy advice agencies in Scotland to share intelligence on emerging issues, identify opportunities for joint working and provide advice and challenge to companies and statutory organisations. the Network met three times in 2023-24. Activity included writing to both UK and Scottish Ministers to highlight energy consumer concerns in the context of annual budgets, and collective discussion on, and written response to, the Scottish Government's Heat in Buildings and Social Housing Net Zero Standard consultations.</p> <p>We are members of Energy UK's Energy Switch Guarantee compliance panel which ensures all suppliers are following the principles of the energy switch guarantee through conducting supplier interviews and supporting the development of best practice.</p>
Consumer Protection in Emerging Low Carbon Technologies	<p>The development of policy for emerging low carbon technology is built on a clear understanding of the opportunities, barriers and challenges for consumers taking up these technologies. Implementation of these policies will be informed by the different perspectives and priorities of different groups of consumers.</p> <p>Consumers have access to the information that they need to make decisions about the adoption of low carbon technologies and the key considerations, challenges and opportunities involved in taking these decisions, including awareness and understanding of the implications of new energy efficiency regulations.</p> <p>The implementation of Scotland's energy efficiency regulations is based on a strong understanding of the consumer perspective, reflecting the interconnectedness of a net zero energy system and incentivising property owners and tenants to invest in measures</p>	<p>We commissioned two significant new research studies in this area in 2024-25. The first study examined the experiences of consumers in Scotland who have recently purchased heat pumps or solar photovoltaic (PV) panels. The research provides new evidence on the consumer motivations, enablers and prompts for installing heat pumps and solar PV. We presented consumer insights as part of panel discussion at key industry events, raising awareness of the key issues and of the actions that may be required.</p> <p>The second study examined the consumer experience in buying and using electric vehicles, to provide new evidence on the incentives and barriers to the wider uptake of this technology amongst consumers in Scotland.</p> <p>We undertook substantial analysis and sector engagement on the Scottish Government's proposals for a draft Heat in Buildings Bill and New Net Zero Standard for Social Housing and submitted detailed responses to each consultation. We have joined the Scottish Government's Strategic Advisory Group supporting the next stages in the development of the process to enable these to deliver positive consumer outcomes.</p>

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	<p>that will support the efficient rollout of low and zero emissions heating.</p> <p>The development and implementation of Electric Vehicle (EV) policy in Scotland which centres the interests of current and future consumers and is based on a fair and consumer-centric approach to EV uptake.</p>	<p>We also responded to the Scottish Government's consultation on permitted development rights.</p> <p>We contributed to the Heat Trust Committee and the UK Consumer Protection Partnership Home Improvement and Energy Efficiency Working Group during the year.</p> <p>We undertook a wide-ranging programme of bilateral meetings throughout the year with UK and Scottish Governments, regulators, industry bodies and consumer organisations, to share intelligence and identify opportunities for joint working to improve consumer outcomes.</p> <p>We were members of the Scottish Government's Heat and Energy Efficiency Scotland Delivery Sector Group and through this work fed into a series of papers to inform the development of the heat facilitated coordination between government and industry stakeholders to inform the development of the Built Environment and Construction Just Transition Plan.</p>
The Experience of Off-Grid Consumers	<p>Policy development and implementation in Scotland relating to both the current energy cost crisis and the journey to net zero are informed by a clear understanding of the perspectives, priorities and concerns of off-grid consumers.</p>	<p>We participated in the Scottish Ministerial Working Group on Rural Energy Consumers, providing evidence and advice to support the work of the Group.</p> <p>Subsequently, we established a new Rural Energy Consumers Working Group, which will take forward some of the work from the Ministerial Group. Membership of the group includes representatives from advice organisations, enforcement agencies, business and consumer representative groups and industry.</p>

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<p>Powering the Transition to Net Zero</p>	<p>A fair and inclusive transition to a smarter, more flexible and more resilient energy system, where the priorities and interests of consumers in Scotland are at the heart of regulated energy networks' activities.</p> <p>Consumers have access to high quality, timely and up to date information to empower decision making around the uptake of low carbon technologies.</p>	<p>We continued to monitor progress on the planned withdrawal of the Radioteleswitch Service, which a significant number of domestic consumers and small businesses in Scotland rely on. We have engaged with industry to propose actions to support the effective delivery of the withdrawal programme for consumers in Scotland. This is an ongoing area of work which continues in 24/25 towards the final phase out in June 2025. We have taken on a role through the Energy Consumers Network members facilitating engagement between frontline agencies and industry/regulator.</p> <p>At the request of the Secretary of State to the Department of Energy Security and Net Zero we represented Scottish consumers on the consultation on proposed modifications to Sizewell C Ltd.'s (SZC) electricity generation license in order to implement a Regulated Asset Base (RAB) funding model under the Nuclear Energy (Financing) Act 2022 and on a second consultation on a methodology to determine the Initial Weighted Average Cost of Capital, Cost of Debt Adjustment, Lower and Higher Regulatory Thresholds in the proposed Economic Licence for SZC. Given the complexity and cost associated with this investment, we also published a public information note on our website, alongside our formal response. The Minister for Nuclear and Renewables welcomed our response and agreed to incorporate our recommendation, to introduce a tiered approach to delay penalties and staggered incremental increases to the delay WACC and have committed to consider publication of an economic appraisal.</p> <p>We engaged in industry workshops and with key electricity sector stakeholders to explore options for the introduction and design of local flexibility markets.</p> <p>As the Review of Electricity Market Arrangements developed we continued to participate in the DESNZ End User Forum and End User Challenge Panel. We fed into Scottish Futures Trust's publication 'Review of Electricity Market Arrangements: A Vision for Scotland' and responded to the second</p>
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		<p>REMA consultation which was published in March 23/24. We also contributed to the Scottish Government's Expert Advisory Panel on the impact of Locational Marginal Pricing on Scottish Government's objectives.</p> <p>We participated in a series of working groups to highlight the key issues of importance to consumers in Scotland in the Ofgem RIIO-3 price control process for electricity and gas transmission and gas distribution.</p>
The Big Energy Savings Network and Campaign	<p>Successful delivery of the Big Energy Savings Campaign and Big Energy Savings Network, helping consumers to manage their energy bills, tackling fuel poverty and improving energy efficiency</p> <p>Helping empower consumers to become more active in the energy market through consumer engagement and participation through co-design</p> <p>Development of skills, knowledge and confidence in relation to energy issues across the local voluntary and community organisations who participate in programme delivery, better equipping these organisations to support consumers in the future.</p>	<p>Through the Big Energy Saving Network, 2,223 one-to-one advice sessions were delivered by 30 Citizens Advice Bureaux and 7 partner organisations across Scotland, with a further 904 consumers and frontline workers participating in group sessions and 33 advisers receiving training. The Worried this Winter Campaign provided energy saving advice to consumers at participating Citizens Advice Bureaux throughout the season, with 8,521 clients receiving 26,513 pieces of energy-specific advice during the campaign period.</p>

Post

Workstream	Intended Outcome(s) Contributed Towards	Analysis of Performance
Affordability of Postal Services	<p>Increased understanding amongst key stakeholders of the factors determining the affordability of postal services for consumers in Scotland, and commitments to ensuring that the future pricing structure for mail products reflects these consumer needs.</p>	<p>We published new research findings on the experience and views of consumers in Scotland on the price and affordability of postal products.</p> <p>These findings informed our input to a number of important policy and regulatory processes during the year. This includes our detailed response to Ofcom's consultation on the safeguard cap for second class mail and our written evidence to the Scottish Parliament's Economy and Fair Work Committee Inquiry on Royal Mail services. We</p>

		<p>welcomed Ofcom’s acceptance of our recommendation to maintain price protections for second class stamps, given the benefits this offers for consumers.</p> <p>The research also supported our substantial response to the Ofcom Call for Input on the future of the universal postal service, which we submitted in April 2024. We participated in the Ofcom Scotland Stakeholder event on this work, representing consumer interests in the discussion panel.</p> <p>We published a separate, related, report on consumers’ use of postal services and their attitudes to the Universal Service Obligation. The findings from this research also informed our input to the above policy processes, helping to improve understanding of key consumer issues.</p> <p>We also published a comprehensive literature review of existing evidence on key consumer matters in the postal market. We hosted a multi-stakeholder event, with representatives from government, industry, the regulator and consumer organisations to discuss the emerging findings from this work.</p>
Tackling Post Exclusion	The development of new solutions that support consumers in Scotland with no fixed address to gain improved access to the postal market.	<p>We established a working group with Citizens Advice and the Consumer Council for Northern Ireland to co-ordinate a UK-wide approach to this issue.</p> <p>We engaged with An Post to discuss how these matters are tackled in Ireland and consider learning that would be useful in a UK context. We continued to explore the issue with UK Government, Ofcom, Post Office Ltd and Royal Mail and began the development of a policy paper on routes forward.</p>

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		In our response to Ofcom's Call for Input on the future of the postal service, we highlighted the importance and opportunity of that process in resolving the challenges of post exclusion.
Decarbonisation of Postal Services	<p>Increased positive action by regulators and providers to support the journey of the postal market to net zero.</p> <p>An improved information system for consumers on the emissions generated from their use of the postal market, enabling consumers to make active choices in this area.</p>	<p>We commissioned new qualitative and quantitative research to explore consumers' understanding, attitudes and behaviour in relation to the climate impacts of postal markets.</p> <p>The research explores issues including the information provided to consumers in parcel deliveries, the factors influencing consumer decisions, opportunities and innovations to support more sustainable outcomes and the barriers to change across these issues.</p> <p>In our response to Ofcom's Call for Input on the future of the postal service, we highlighted the need for consumer and environmental considerations to be assessed holistically, rather than as separate domains.</p>
Access to an Effective Parcels Market	<p>All consumers in Scotland have an accessible parcel services market that meets their needs and from which they receive a good quality of service. When consumers have a negative experience they have a clear route to redress and can attain a positive outcome.</p> <p>Consumers and businesses enjoy improved transparency in the parcel market, with information on quality of service, pricing and consumer experience widely and readily available, improving the competitiveness of the market and driving improved outcomes for consumers.</p>	<p>We published a report on the experiences of consumers in Scotland in the parcels market. The report examined issues including consumer choice within the market, surcharging in rural areas and how consumers wish to have parcels delivered when they are not at home. The report has been disseminated with key stakeholders, improving understanding of what needs to be done to deliver an effective parcels market for consumers in Scotland.</p> <p>We have undertaken separate analysis on consumers' experiences of lost parcels, with the final report forthcoming.</p> <p>We engaged with Royal Mail as they developed their 'SafePlace' scheme, providing a series of recommendations to improve the operation of this scheme for the benefit of consumers. We were pleased that a number of our recommendations were acted upon.</p>

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Ensuring Access to Post Offices	All consumers to have access to Post Office services, with the network continuing to provide a high quality, effective service for rural and remote communities, for those who are digitally excluded, older people, disabled people, carers and small businesses.	We have continued to analyse network data provided by Post Office Limited to assess how well the current network is delivering for consumers in Scotland, both in terms of access to Post Office branches as well as the quality of that access.
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Water

Workstream	Intended Outcome(s) Contributed Towards	Analysis of Performance
Climate Change Adaptation	<p>A water policy framework in Scotland that has consumers at the heart of adaptation and resilience to climate change, maximising the benefits for consumers while mitigating the risk of consumer detriment, particularly for consumers in vulnerable circumstances.</p> <p>Consumers are empowered and enabled to be part of a just transition to adapting to climate change impacts of water shortage and increased rainfall and the flooding of communities, homes and businesses across Scotland.</p> <p>Consumers in Scotland who have a private water supply are able to access safe and affordable drinking water.</p>	<p>We commissioned a substantial deliberative research project to examine consumers' views on how Scotland's water, wastewater and drainage services should be adapted to mitigate the impacts of climate change.</p> <p>We engaged the Scottish Government, regulators and the industry in the development of the delivery of the research, which has directly informed the Scottish Government-led policy development process on the future of water policy in Scotland, benefitting consumers. We have facilitated and delivered a number of presentations on emerging findings from the research for key stakeholders. The final outputs from the work were published in May 2024.</p> <p>We undertook a significant programme of engagement in the Scottish Government's policy development process throughout 2023-24. We participated in working groups, using research insights to inform different aspects of the policy to ensure that this works well for consumers. We were also a member of the overarching steering group.</p> <p>We published a number of new reports during the year, including reports on consumer behaviours and attitudes to household water use; on overcoming barriers to the adoption of blue-green infrastructure; and on the advice and support needs of private water supply users. We</p>

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		presented our recommendations on private water supplies at the Scottish Rural Parliament, raising awareness of the relevant issues.
Affordability of Water and Sewerage Charges	A fair and sustainable system for water and sewerage charges in Scotland, which protects low income consumers, taking account of the significant financial strain consumers are experiencing during the cost of living crisis.	We have conducted in-depth analysis into trends in water and sewerage affordability in Scotland, examining historic data and building forecasts for water affordability in future years. We are preparing a report which examines how the affordability of water and sewerage services varies across different consumer groups, to inform the Strategic Review of Charges 2027-33 process. We provided briefing sessions and supported in depth discussion on the emerging findings to government, industry and regulators.
Ethical Frameworks and Consumer Outcomes in the Non-Domestic Market	A non-household market water that clearly demonstrates where and how it operates in the best interests of the consumers it serves.	<p>We have worked with the regulator and the industry throughout 2023-24 to support the development of a new Code of Practice for licensed providers in the non-domestic water market. This Code is in development, with further piloting and consumer engagement scheduled for the first half of 2024-25. Its introduction will help to significantly improve the consumer experience in the sector.</p> <p>We have chaired the Senior Stakeholder Group for the non-domestic water sector throughout the year.</p>
Equitable and Intergenerational Investment in Water	The water industry in Scotland is shaped by a strong understanding and recognition of consumer interests, resulting in positive outcomes for all consumers across key issues including charging, service delivery, value for money and customer and community empowerment	<p>We delivered our statutory consumer advocacy role in the water sector during 2023-24 through our contribution to a number of strategic groups. These include the Delivery Assurance Group and Investment Planning and Prioritisation Group, the Water Services Joint Development Group, Wastewater Joint Development Group, Stakeholder Advisory Group Customer Excellence Alliance, and Customer Research Coordination Group.</p> <p>We have engaged with Scottish Government, the Water Industry Commission for Scotland and Scottish Water to consider options for</p>

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		<p>consumer involvement in the forthcoming Strategic Review of Charges process for 2027-33.</p> <p>We gave oral evidence to the Scottish Parliament on Scottish Water's Annual report.</p>
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Consumer Markets

Workstream	Intended Outcome(s) Contributed Towards	Analysis of Performance
Changing Regulatory and Legislative Frameworks	<p>Regulators, governments and other stakeholders are aware of the needs and aspirations of consumers and small businesses in Scotland.</p> <p>Mitigations are put in place to reduce the risk of consumer harm and more positive outcomes for consumers are achieved, including increased consumer confidence and the advancement of fairness, inclusion, prosperity and consumer wellbeing.</p>	<p>We submitted evidence and responses to a range of government, parliamentary and regulatory inquiries and consultations during 2023-24. This included work on both reserved and devolved policy issues. We made submissions to highlight key consumer priorities on matters including the Circular Economy, Digital Markets, Regulation of Independent Health Care, AI Innovation, Price Transparency, Human Rights, the Universal Service Obligation for Broadband, Mid-Contract Price Rises for Mobile and Broadband, Smarter Regulation and Access to Cash. We were pleased that our evidence was recognised across a number of these processes.</p> <p>We gave oral evidence to the UK Parliament on the Digital Markets, Competition and Consumers Bill and engaged in subsequent stakeholder discussions on detailed consumer protection provisions implemented via the Bill. We also gave oral evidence to the Scottish Parliament on the Circular Economy Bill, highlighting relevant findings from our net zero research regarding consumer views and experience. This was supplemented by further written MSP briefings. Our contributions have provided a solid foundation of evidence of the consumer experience, which will help to strengthen the relevant legislation as it advances.</p>

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		<p>We contributed to a number of advisory groups across a range of sectors, ensuring that the consumer perspective was well represented. These included the Scottish Regulatory Review Group, the UK Finance Consumer Advisory Group, the New Homes Scotland Quality Advisory Group and the Trading Standards Scotland Governance Board.</p>
Poor Quality Goods and Services	<p>Improved understanding amongst key stakeholders of the nature of consumer detriment in Scotland in relation to poor quality goods and services, and the identification and development of solutions to tackle these issues, resulting in improved outcomes for consumers.</p>	<p>We have undertaken analysis of data from the Consumer Protection Survey, Public Attitudes Tracker, Advice Direct Scotland and Citizens Advice Scotland on the main issues of detriment being experienced by consumers in Scotland in key markets. The work examined issues focussed by consumers across markets with a particular focus on finance, telecommunications and housing sectors. The final report from this analysis will be published in summer 2024.</p>
Legal Regulation	<p>A regulatory regime for legal services in Scotland that is fit for purpose and meets the needs of consumers, with robust measures in place to address complaints and service quality issues.</p>	<p>We undertook substantial work on the regulation of legal services in Scotland during 2023-24. We published new research on consumers' attitudes towards, need for and experiences of legal services. We provided written and oral evidence to support the Scottish Parliament scrutiny of the Regulation of Legal Services Bill. We engaged throughout the year with the Scottish Government, regulators and consumer organisations to highlight the key issues of importance to consumers in the legislation.</p> <p>We participated as members of the Scottish Legal Complaints Commission Consumer Panel throughout 2023-24.</p> <p>Our work is helping to ensure that the key priorities for consumers in this market are recognised by policymakers and are properly taken account of in the legislation.</p>
The Future of Voice Calls	<p>Regulators, providers and decision makers in Scotland fully understand the impact of the changes on consumers in Scotland and take steps to manage risk appropriately</p>	<p>We published new analysis on the impact on consumers in Scotland of the switch from traditional landline telephone calls to telephone calls over a broadband connection. We engaged with key stakeholders including Ofcom, the Communications Consumer Panel and</p>

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	<p>Organisations providing advice and support to consumers are able to access the advice and information that they need to help them effectively support consumers.</p> <p>Consumers are aware of the coming changes to voice calls and are supported to take appropriate action to ensure their continued safety.</p>	<p>communications providers. We wrote formally to UK Government and Scottish Government Ministers to highlight our concerns about the significant risk of consumer harm, particularly in remote and rural areas. We are pleased that a number of the issues of concern for consumers that we identified are being acted upon.</p>
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Heat Networks

Consumer Scotland undertook work in 2023-24 to begin preparations for taking on our statutory advocacy and advice role in relation to heat networks from 2025-26 onwards. We engaged closely with the UK Department for Energy Security and Net Zero (DESNZ) throughout the year, and joined the DESNZ heat networks delivery oversight board. We also engaged with the Scottish Government's heat networks policy and regulation teams, and submitted a detailed response to the joint consultation by Ofgem and DESNZ on the proposed regulatory framework for heat networks.

Staffing

25. Consumer Scotland's staff are critical to our ability to achieve the objectives set out in our work programme and strategic plan and in establishing our reputation across the consumer landscape.
26. During our second year of operation we have maintained an open dialogue with staff about our progress and actively sought their views on a number of things including our work programme, strategic plan, hybrid working arrangements, recruitment, and development opportunities. In addition, a working group was set up of staff from Consumer Scotland and Environmental Standards Scotland to help develop our shared accommodation proposal and subsequent design and fit-out of our new office.
27. In our first two years, we have used our independent HR Business Partner (part of our shared service agreement with AAB Limited) to develop our employee engagement strategy. To date this has involved employee focus groups to understand how they are feeling, explore specific issues such as learning and development, engagement, wellbeing and support required. The key themes from these sessions are fed back to the Executive Team for discussion and relevant actions are progressed. From FY2024-2025 we will move to a more formal online engagement survey.
28. We are working closely with staff to develop a holistic learning and development framework and to evolve our hybrid working approach.
 - a. Six staff members are trained Mental Health First Aiders and are actively promoting mental health awareness and support resources across the organisation.
 - b. 14 staff members recently completed the APM project Management Fundamentals course.
 - c. 9 staff members are undertaking leadership coaching to enable their transition into new leadership roles.
29. 2023-2024 has been our second year of operation so recruitment has remained a focus, growing the organisation further (from 28 to 35) to enable us to fulfil our statutory functions. We have also been supported by a number of short term loan and secondee staff from other public sector organisations. All permanent vacancies have been advertised internally first and if not filled then via the Civil Service Jobs website across other government departments as well as externally and we have been

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able to secure high quality staff from a diverse range of backgrounds and sectors.
100% of advertised roles were filled at the first attempt.

Table 7: Backgrounds of successful candidates, 1 April 2023 to 31 March 2024

Scottish Administration	Other Government Departments	External	Total vacancies filled
2	1	5	7

Note: This table refers to posts rather than people joining Consumer Scotland, so does not tally with the staff report. This table includes permanent and temporary posts and inward loans.

30. We have had one leaver and one loan arrangement expire in FY2023-2024.
31. In addition to our regular pattern of Strategic and Governance Board meetings, we also hold quarterly seminar sessions which are an opportunity for Board members to meet with staff and hear in more detail about the work of each of the teams.
32. The [staff report](#) contains further information relating to staff numbers and costs.

Risk Profile

33. This section discusses the risks we face, how they have affected Consumer Scotland's achievement of its objectives, how they have been mitigated and how this may affect future plans and performance.
34. As reported in paragraph 22, we have identified the following nine risks:

Table 8: Strategic Risks

Risk	Description	Mitigation – controls and actions
Finance	MEDIUM RISK Risk that significant cuts or fluctuations in core and levy funding result in a lack of resources to maintain rigorous and robust impact.	Development of strong relationships with our 'Grants in Aid' government funders through regular meetings and sharing of information to build trust in Consumer Scotland's ability to deliver the outcomes agreed. Robust budget planning and monitoring to provide evidence of impact and prudent use of public money. Ongoing liaison with other public bodies to share learning and assess shared service opportunities. Development of a medium term financial strategy. Building strong relationships with our key funding stakeholders and Ministers.
Finance	HIGH RISK Risk that the current Consumer Scotland finance set-up with Scottish Government does not provide Consumer Scotland with the visibility, control and ownership of the end to end financial process. Risk that new Oracle Fusion system does not deliver what we need and on time.	Accountancy support is in place via a professional services agency contract which provides us with a qualified accountant 1-2 days per week. Strong and effective relationships with our SG liaison team to escalate issues (they help us get the right people involved at the right level and the right time to swiftly resolve issues). Internal controls such as budget monitoring, financial transaction management procedures and internal audit are working effectively. <i>Public bodies would normally be set up in the Scottish Government finance system (SEAS) as a separate entity with their own entity codes and end to end visibility of transactions. The SEAS system is due to be transitioned to Oracle Fusion in October 2024 and so it was agreed that rather than setting us up as a separate entity in the SEAS system, we would exist as a cost centre as part of our liaison department as a temporary solution. When the new system is live, Consumer Scotland will exist on it as a standalone entity which will provide the controls and ownership we need. The transformation programme is well underway, and we are involved in set-up, training and implementation to ensure a smooth transition.</i>
Governance	LOW RISK Risk that Consumer Scotland does not have a robust Governance framework in place to ensure compliance on finance, corporate governance, statutory reporting, control environment and systems of internal control requirements e.g. value for money, effective risk management/mitigation. This could negatively impact organisational stability, reputation and compliance.	Support and advice provided by our Internal Auditors to ensure proper process is followed and awareness of the risk of non-compliance. Strong governance and quality assurance mechanisms in place within procedures. Governance tracker holds details of reporting requirements and deadlines to assist planning and production of required reports. Advice and recommendations from the governance review are implemented. Board quarterly review of Governance framework elements. Audit & Risk Committee quarterly review of finance, risk and audit matters.
Reputational	MEDIUM RISK Risk that Consumer Scotland does not progress its work programme and/or	Development of a robust evidence base to support our work. Clear programme of communications to explain CS role and work programme, strategic plan and outputs to all stakeholders.

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	outputs are not seen as evidence-led and impactful leading to questions about our relevance and influence thus impacting our reputation.	Reactive media lines prepared and regularly updated. Regular engagement with Parliamentary committees. Actively contributing to (or membership of) relevant networks. Actively seeking and embracing good practice.
People	LOW RISK Risk that a failure to recruit, develop, support and retain the right number of staff with the right capabilities which then undermines the ability of Consumer Scotland to deliver its work programme.	Continued work to develop Consumer Scotland's reputation to enable us to attract interest in our recruitment opportunities. Continue to offer learning and development opportunities to encourage staff to build their skills and understanding of their role within the organisation. Provide opportunities to work across teams to develop knowledge which can facilitate progression. Regular meetings with Trade Union reps. Engaging with specialist organisations to support on increasing diversity e.g. Changing the Chemistry. Introduction of people KPIs.
Strategic	HIGH RISK Risk that Consumer Scotland is not able to deliver its statutory functions that require significant development work - due to reasons including a lack of clarity in the underpinning legislation or insufficient funding to resource the requirements. This could lead to reduced funding and reputational damage.	Scoping work completed in several areas to gather information and requirements to proceed with the continued roll out of our statutory functions. Stakeholder engagement to clarify CS's role within the landscape to ensure a successful launch into these areas. Regular dialogue with SG to collaborate over challenges as they arise. Regular engagement with parliament and committee. We continue to make progress on the continued roll out of our statutory functions. We have regular engagement with the Scottish Government, Parliament and Parliamentary Committees.
Project/ Programme	MEDIUM RISK Risk that Consumer Scotland's structure and operating model is not agile enough to respond to the changing consumer and legislative landscape and potential new "asks" at pace leading to an inability to respond to the landscape and reputational damage.	Regular review of consumer landscape. Membership of relevant industry bodies and working groups. Regular dialogue with Scottish Government liaison team. Agreed prioritisation criteria in place. Weekly Exec Team meetings review emerging asks/prioritisation.
Finance	MEDIUM RISK Risk that Consumer Scotland is subject to legal action as a result of its investigations activity. No insurance or financial cover currently in place.	3 types of legal action are possible: 1) that CS is acting ultra vires (i.e. launched an investigation into a subject that it is not legally permitted to do); 2) use of our info-gathering powers is challenged (i.e. we request information using our info-gathering powers but recipient does not respond or challenges the request); 3) Defamation. Likelihood is assessed as very low for 1 and 3 - risks of (1) are mitigated through scoping and prioritisation framework that informs investigation choice; risk of (3) is low because CS investigations will tend to be market wide and avoid naming specific individuals or firms. Likelihood of 2 is low-medium - expectation is that we'll

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		<p>tend to use these powers fairly infrequently, and with careful consideration given to information notice parameters.</p> <p>Financial impact has been reduced following letter of understanding from SG that the government would be minded to support CS' if it was challenged on the scope of its powers.</p> <p>We do not allocate a financial reserve to respond to legal challenges that arise. However the Scottish Government has indicated in writing – following discussions – that it would be willing to discuss how the financial implications of any such challenge could be met, were one to arise.</p>
Reputational	<p>MEDIUM RISK</p> <p>Risk that Consumer Scotland is subject to legal action as a result of its investigations activity. Impact on reputation.</p>	<p>Risk is mitigated through robust processes for prioritising investigation topics - involving prioritisation criteria (externally consulted upon), internal review through the Investigations Pipeline Steering Group, robust scoping during pre-investigation stage of investigations, and requirement for ET and Board sign-off of investigation choice. Risk also mitigated by ongoing monitoring use of, and constraints on, our information gathering powers, and remaining open to consideration of whether these powers can be strengthened.</p>

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35. Of these, our finance set-up risk for 2023-2024 was the highest scoring although the score has reduced from last year. We continue to work closely with the Scottish Government finance team and to ensure we have access to the information needed for our annual report and accounts.
36. Looking forward, we are working with the Scottish Government project team around implementation of the new Oracle Fusion finance system. This had been due to be implemented in April 2024, but many organisations (including Consumer Scotland) highlighted major concerns over readiness of the project and the implementation date has now been moved to October 2024. As part of this programme, Consumer Scotland will be set up as a separate entity and therefore have access to, and control of, its own data.
37. A number of our risk scores have reduced during FY2023-2024 due to the work of the teams to ensure the appropriate controls are in place and effective. We would expect a number of our risks to decrease further next year as we move into a business as usual cycle of activity.

Financial position at the end of the year

38. Consumer Scotland's core funding budget is set in the Scottish Government's Budget Bill and approved by the Scottish Parliament. This budget is available as grant in aid to fund expenditure as incurred. Additional grant funding for energy and post advocacy is budgeted to be received from the UK Government Department of Business and Trade (DBT), and for water from the Scottish Government. This funding represents a share of levies raised in their respective economic sectors and is claimed against as expenses are incurred against agreed work plans.
39. Our core funding from Scottish Government was flat for FY2023-24 which presented a number of challenges for Consumer Scotland including having to absorb a 7% pay increase and inhibiting planned progress on a number of our statutory functions.
40. A summary of actual funding claimed compared to budget is detailed below:

Table 9: Performance against budget

Grants available	Budget	Actual	Variance	Budget	Actual	Variance
£000	2023/24			2022/23		
Scottish Government	2,317	2,467	-150	2,500	1,665	835
DBT	1,088	1,064	24	884	753	131
Scottish Water	358	356	2	320	237	83
Total:	3,763	3,887	-124	3,704	2,655	1,049

Note: Scottish Government funding is budgeted and provided on a cash basis and so the budget variance reflects the impact of the timing of accruals at the beginning and end of the financial year.

Table 10: Summary of expenditure for the year ended 31 March 2024

Expenditure category	Budget	Actual	Variance ²	Budget	Actual	Variance
£000	2023/24			2022/23		
Staff costs (salaries, NIC, pensions and agency staff)	2,299	2,396	-97	2,012	1,689	323
Staff related costs (recruitment, training, travel)	100	94	6	100	87	13
Non staff related (excluding Research and Grant)	363	339	24	801	433	368
Research	509	386	123	432	277	155
Grant to third parties	444	444	-	359	399	-40
Provisions	-	-	-	-	1	-1
Depreciation	-	1	-1	-	-	-
Notional Costs - External Audit fee	48	48	-	-	52	-52
Net Operating Expenditure	3,763	<u>3708</u>	55	3,704	<u>2,938</u>	766

Consumer Scotland operated within its total budget allocation for 2023-2024 of £3.76m.

41. Spending was slightly below budget due to the move to Thistle House being moved to April 2024 and the impact of this on the phasing of associated overheads relating to fit-out.
42. We were able to reprofile some of this spend and this allowed us to provide additional grants to third parties includes grants awarded to Citizens Advice Scotland, Trading Standards Scotland (via COSLA) and Advice Direct Scotland in relation to targeted consumer advocacy work.

Table 11: Financial Summary

£000	2023/24	2022/23		2023/24	2022/23
Expenditure	3,708	2,938	Total assets	481	167
Grant funding	3,887	2,655	Total liabilities	-485	-398
			Net liabilities	-4	<u>(231)</u> ³

Further information on Consumer Scotland's income, expenditure, assets, and liabilities can be found in the financial statements on pages 86-89.

² Favourable variance is shown as a positive, adverse as a negative.

³ The movement in Net Assets is explained in the Statement of Changes in Taxpayers' equity in the financial statements.

Non-Financial information

Complaints

43. Consumer Scotland has a complaints handling policy and procedure in place and received no complaints in 2023-2024.

Information Security

44. There were no known reportable data breaches in 2023-2024.

Freedom of Information

45. Consumer Scotland aims to be fully compliant with Freedom of Information legislation. We received four Freedom of Information requests which were completed within the statutory deadline for responses.

Community and social

46. Consumer Scotland is committed to being an open and transparent organisation. We work with other public bodies and government departments and are committed to engaging productively with those communities who are interested in our work.

Fraud, corruption and bribery

47. Consumer Scotland is committed to preventing fraud, corruption and bribery in relation to its funds and activities. There is a counter-fraud policy in place and staff are bound by the Civil Service Code^x which governs the behaviour of staff and deals with the receipt of gifts and hospitality. Relevant gifts and hospitality received by staff are recorded.
48. Consumer Scotland has a shared service agreement in place with the Scottish Government Procurement and Property Directorate and adheres to the Public Sector Procurement guidance including those requirements under the Modern Slavery Act 2015.
49. The Consumer Scotland Code of Conduct for Members Board sets out the behaviours expected of our Board Members^{xi}. It is based on the Scottish Government's Model Code of Conduct for Members of Devolved Public Bodies. Declarations of interest are made at each Governance Board and Audit and Risk Committee meeting. The register of interests for members, which includes gifts and hospitality received, is updated by members as and when required and formally reviewed at least annually.^{xii}

Environmental and Sustainability

50. Consumer Scotland has implemented a hybrid working approach across our Glasgow and Edinburgh office bases. All staff are equipped to work fully remotely if required. The majority of meetings continue to be held online, which has allowed Consumer Scotland to maintain a low carbon footprint.
51. We continue to review our hybrid working policy aiming to get a balance of valuable face to face collaboration time with home-working and virtual integration. Our experience of working remotely demonstrates that it is possible to undertake more

activities virtually than might have previously imagined however, we have also identified that time in the office for both work collaboration and social interaction is hugely beneficial in terms of productivity and wellbeing.

52. In April 2024, we moved to a new shared office space with Environmental Standards Scotland at Haymarket which is more accessible by public transport hence further reducing our carbon footprint.
53. Furthermore, through working collaboratively with Environmental Standards Scotland, the Scottish Legal Aid Board (landlord) and the Scottish Government's Property team we have been able to contribute to the Single Scottish Estate strategy through the shared accommodation arrangement we have put in place. This model will also enable us to make future cost and carbon savings around shared services such as printing, resource sharing and joint procurement contracts.
54. Consumer Scotland is not yet bound by the climate change duties established under S44 of the Climate Change (Scotland) Act 2009 and in accordance with Schedule 2 of the 2015 Order. However we chose to submit a voluntary report in this regard in November 2023.

Island Communities Duty

55. Consumer Scotland is covered by the Islands Scotland Act 2018 (Part 3). Our work plan includes a number of projects, across a range of markets, that are of particular relevance to the interests of consumers in rural and remote communities in Scotland. This includes consumers who live in Scottish islands.
56. Consumer Scotland undertook consultation on its Draft Work Programme for 2024-2025, which provided opportunity for stakeholders to submit views on the relevance and importance of proposed projects for different groups of consumers.

Fairer Scotland Duty

57. Consumer Scotland is covered by the Fairer Scotland Duty, Part 1 of the Equality Act 2010 and aimed at ensuring tackling inequality is genuinely at the heart of key decision-making. Our work plan includes a number of projects, across a range of markets, that seek to achieve fairer outcomes for consumers experiencing socio-economic disadvantage.
58. Two of our three cross-cutting themes, which are set out in our Strategic Plan for 2023-27, have a particular relationship with the outcomes for consumers who may experience inequalities caused by socio-economic disadvantage. These themes, on improving the cost of living and supporting consumers in vulnerable circumstances, are core aspects of our work planning and delivery and run throughout our work. In addition, Consumer Scotland uses a set of Consumer Principles as a framework for our work, through which we analyse evidence on markets and related issues from a consumer perspective. One of these principles is Fairness.
59. We have established an Advisory Committee on Consumers in Vulnerable Circumstances to provide us with strategic advice on our work in relation to consumers in vulnerable circumstances, which may include those experiencing socio-economic disadvantage.

60. Consumer Scotland undertook consultation on its Draft Work Programme for 2024-2025, which provided opportunity for stakeholders to submit views on the relevance and importance of proposed projects for different groups of consumers.

Public Services Reform

61. Consumer Scotland incorporated a 3% efficiency saving in its budget submission for FY2023-24 to Scottish Government in line with guidance issued by Ministers to promote efficiency under section 32 of the Public Services Reform (Scotland) Act 2010^{xiii}.
62. Consumer Scotland continues to identify savings and efficiencies through its ongoing organisational development and works closely with other public bodies including Environmental Standards Scotland, the Scottish Fiscal Commission and the Scottish Delivery Bodies Group to ensure that we leverage collective expertise to maximise effectiveness of expenditure and implement “best practice” through a culture of continuous improvement.
63. Under section 31 (1)(2) of the Public Services Reform (Scotland) Act 2010, Consumer Scotland’s expenditure for FY2023-2024 under the required categories is as follows. Between 1st April 2023 and 31st March 2024, Consumer Scotland:
- Incurred spend of £137,000 on public relations
 - Incurred spend of £953 on overseas travel
 - Incurred spend of £240 hospitality and entertainment
 - Did not incur any spend on external consultancy
 - Had no members or employees who received remuneration in excess of £150,000
 - Made the following individual payments with a value in excess of £25,000:

Supplier/Payee	Description	2023-24 expenditure (£)
IPPR	Research - tax-benefit model	25,680
Ipsos Mori	Research - climate change adaptation	35,200
Ipsos Mori	Research - climate change adaptation	29,330
Procurement	Procurement fees - Scottish Government shared service	38,484
Citizen’s Advice Scotland	Big Energy Savings/Winter grant payment	111,880
Citizen’s Advice Scotland	Big Energy Savings/Winter grant payment	45,500
Citizen’s Advice Scotland	Big Energy Savings/Winter grant payment	117,753
COSLA	Shut Out Scammers grant payment	80,000

Advice Direct Scotland	Consumer Portal and Trusted Trader Directory Integration grant payment	45,000.00
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Note: this table does not include multiple payments made to persons or bodies in the course of the same financial year that are below £25,000, but which cumulatively exceed the reporting threshold.

Wider Context and Future Plans

64. In Consumer Scotland's Strategic Plan for 2023-27 we set out three cross-cutting themes for our work, which are of significant importance to consumers in Scotland. These are addressing the cost of living and improving the affordability of goods and services; climate change adaptation and mitigation; and supporting consumers in vulnerable circumstances. These issues continued to be highly relevant to consumers during 2023-24 and were central to our work throughout the year. These challenges will continue to shape outcomes for consumers during the forthcoming year and they underpin our Work Programme for 2024-25.

Table 12: Wider context and future plans

Wider Context and Future Plans	Detail
Developing our role as the statutory body for consumers and increasing cohesion across the advocacy and advice sector	<ul style="list-style-type: none"> Continue to develop our new Strategic Partnerships function including mapping of the landscape to identify opportunities for better joined up working, avoidance of duplication and value for public sector money Develop our role as funding body for advocacy and advice activity Implement our partnership principles for working with our third sector partners across the sector
Implementing our Work Programme for 2024-25 and, building on lessons learnt from that, developing its Work Programme for 2025-26	<ul style="list-style-type: none"> Continue to monitor outcomes from, and advocate on basis of, activities delivered in 2023/24 Delivery of 2024/25 Work Programme throughout the 24/25 financial year Initial scoping and drafting of Work Programme 2025/26 during autumn 2024 Draft Work Programme 2025/26 in place and approved by Board by Dec 2024 Work Programme 2024/25 published for consultation in January 2025 Final draft of Work Programme published and laid before parliament March 2025
Continuing work to develop the evidence base for the publication of the Consumer Welfare Report in 2026	<ul style="list-style-type: none"> Publication of a 'Consumers in Scotland 2024' contextual report in summer 2024, following the UK parliament election. Throughout 2024, internal scoping of data, indicators and topics for inclusion in the Consumer Welfare Report 2026 Throughout 2024, external engagement on the structure and content of the Consumer Welfare Report 2026 Proposed structure and data plan for CWR2026 in place by end of 24/25.
Developing our investigations function in line with the scoping	<ul style="list-style-type: none"> First Consumer Scotland investigation launched in summer 2024, following the UK parliament election.

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work carried out in 2022-23 and 2023-24	<ul style="list-style-type: none"> Findings of first investigation published and laid before parliament by end of 2024, culminating in policy recommendations and dissemination activity. Ongoing development of investigations pipeline – in consultation with stakeholder organisations – throughout 2024/25. Launch of second pre-investigation by end of 2024/25.
Establish a new Heat Networks advocacy and analysis team	<ul style="list-style-type: none"> Scope out structure of new Heat Networks function, develop role profiles and advertise roles in summer 2024 Depending on funding confirmation, team in-place by autumn 2024 Develop data needs and monitoring strategy throughout 2024/25
Producing draft guidance for public bodies on their obligations in relation to the Consumer Duty	<ul style="list-style-type: none"> Consult on draft guidance from March to June 2024 Work with advisory group and other stakeholders on finalising the guidance Final guidance to be published by 31st March 2025
Engaging key stakeholders on how to proceed in relation to a recall of goods register	<ul style="list-style-type: none"> Continue work with OPSS in ensuring a joined-up approach in raising awareness of the recall of good register Ensure Consumer Scotland website remains up to date with information relating to recall of goods register Continue to identify opportunities to highlight register in wider pieces of Consumer Scotland work where relevant
Monitor and formally report on Consumer Scotland's activities, impact and influence, following publication of our Performance Framework in December 2023	<ul style="list-style-type: none"> Monitor our new suite of Key Performance Indicators, reporting on these quarterly Identification of a number of impact case-studies to demonstrate the impact and outcomes of Consumer Scotland's activity Report on our impact and influence during 2024/25 as part of our annual reporting cycle at year end
Continuing to build a versatile and expert staff team and engaging them in evolving our culture so Consumer Scotland is a rewarding place to work	<ul style="list-style-type: none"> Continued focus on Learning and Development Regular employee engagement check points through formal and informal surveys Scoping skills required for the future and creating a versatile multi-skilled workforce
Working with the Scottish Government to progress a transition to a new financial management system	<ul style="list-style-type: none"> Scoping and set-up activity underway Implementation of the new Oracle Fusion finance system has been moved to October 2024
As part of our drive for best value and efficient use of resources, advancing cooperation with similar public sector bodies in areas including accommodation	<ul style="list-style-type: none"> Continue to explore collaboration and efficiency opportunities with Environmental Standards Scotland Active participation in the Scottish Delivery Bodies Group - to learn from each other's experience, helping streamline workstreams and reduce need for external expertise Explore formal resource sharing with other NMOs

65. The fiscal outlook for public sector funding remains challenging. Our refreshed medium term financial strategy has identified a number of key risks, threats and opportunities. We are working to mitigate these risks and threats, whilst maximising

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the opportunities to ensure we are able to deliver on our statutory functions and strategic objectives whilst demonstrating best value and a strong commitment to the Public Service Reform agenda.



Sam Ghibaldan

Chief Executive of Consumer Scotland

24 September 2024

Accountability Report

Corporate Governance Report

Directors' Report

66. The Chief Executive is the Accountable Officer of Consumer Scotland and is supported by the Executive Team.
67. The Board operates under agreed Standing Orders.^{xiv}
68. The Board supports Consumer Scotland to deliver its functions by offering strategic advice and constructive challenge to the Chief Executive and Executive Team. Full details of the governance structure and risk management arrangements in operation at Consumer Scotland are provided as part of the Governance Statement on page 58.
69. Consumer Scotland has a Framework Agreement^{xv} with the Scottish Government which sets out the terms of an agreement between Consumer Scotland and the Scottish Ministers in relation to the governance, financing and operation of the functions of CS. It forms a key part of the governance and accountability framework within which CS will operate.

Funding and Structure

70. Consumer Scotland is a Non Ministerial Office (NMO) with its remit set by the Consumer Scotland Act (2020).
71. Consumer Scotland has core funding from the Scottish Government, and from grants in aid from both the UK and Scottish Governments for consumer advocacy work in water, post, gas and electricity. It has a total budget of £3.85 million in 2023-2024.

Directors and management structure

72. This section reports the composition of the Board and Executive Team over the year, the governance framework, the Accountable Officer's responsibilities, his sources of assurance and his assessment of Consumer Scotland's corporate governance and risk management arrangements.

Consumer Scotland Board 2023-24

73. The Board operates under agreed Standing Orders and has a Framework Agreement with the Scottish Government.
74. The members of the Board who served Consumer Scotland during 2023-2024 are shown in the table below:

Table 13: Board and Committee Members

Members (appointed on 1st July 2021, reappointed 19 th December 2023)	David Wilson (Chair of the Board) Nick Martin Angela Morgan James Walker
Member (appointed 14 th November 2023)	Lesley Halliday
Audit and Risk Committee (Board sub-committee) Members	Nick Martin (Chair of the ARC) Angela Morgan James Walker Lesley Halliday

75. The Chair of the Board normally attends the Audit and Risk Committee.
76. All Board and ARC minutes are published on our website.
77. The Register of Members' Interests for the Board is available on the Consumer Scotland website and on request. All Board members are required to review and update the register at least annually.

Senior Management

78. The members of the Consumer Scotland Executive team during 2023-24 are shown in the table below.

Table 14: Executive Team

Executive Team as at 31 March 2024	<p>Sam Ghibaldan Chief Executive (Appointed June 2022)</p> <p>Sue Bomphray Director of Operations (Appointed temp August 2022, appointed perm April 2023)</p> <p>David Eiser Director of Analysis, Research and Investigation (Appointed December 2022)</p> <p>Douglas White Director of Policy and Advocacy (Appointed October 2022)</p>
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Internal Auditors

79. Internal audit services are provided by the Scottish Government's Directorate of Internal Audit and Assurance; the scope of work of Internal Audit is determined

following discussion with management and is subject to approval by the Audit and Risk Committee.

External Auditors

80. Our Accounts are audited by Deloitte under contract to Audit Scotland. The notional fees are reported in the financial statements at Note 7. Deloitte has provided only external audit services to Consumer Scotland during the year.

Accounts direction

81. The 2023-2024 accounts have been prepared in accordance with the Accounts Direction given by the Scottish Ministers in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000.

Date accounts authorised for issue

82. The Accountable Officer authorised these financial statements for issue on 24 September 2024.

Statement of Accountable Officer's responsibilities

83. Under paragraph 19(4) of the Public Finance and Accountability Scotland Act 2000, the Scottish Ministers have directed Consumer Scotland to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction at page 102. The accounts are prepared on an accruals basis, and must give a true and fair view of the state of affairs of Consumer Scotland and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.
84. As Accountable Officer, the Chief Executive is personally answerable to the Scottish Parliament for the propriety and regularity of Consumer Scotland finances and for the economical, efficient and effective use of the resources placed at its disposal.
85. In preparing the accounts, the Accountable Officer is required to comply with the Government Financial Reporting Manual (FReM), and in particular to:
- Observe the accounts direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
 - Make judgements and estimates on a reasonable basis
 - State whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the financial statements
 - Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that Consumer Scotland will continue in operation
 - Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

86. The responsibilities of the Accountable Officer are set out in the Memorandum to Accountable Officers from the Principal Accountable Officer. They include responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding Consumer Scotland's assets.
87. As Accountable Officer, I am not aware of any relevant audit information of which our auditors are unaware. I have taken all necessary steps to ensure that I am aware of any relevant audit information and to establish that the auditors are also aware of this information.



Sam Ghibaldan
Chief Executive
24 September 2024

Governance Statement

88. This statement sets out how Consumer Scotland manages and controls its resources and risk. It covers the period from 1 April 2023 to the date of signing.

Consumer Scotland's Governance Framework

89. The Governance Framework is designed to ensure that Consumer Scotland complies with the highest standards of integrity whilst delivering value for money for Scottish taxpayers, safeguarding public funds, delivering good quality insight and service to its stakeholders, and being fully accountable for its actions.
90. Consumer Scotland complies with the guidance contained in the Scottish Public Finance Manual (SPFM)^{xvi} and in relation to the Board, guidance note 2 of 'On Board: A Guide for Members of Management Advisory Boards' published by the Scottish Government.
91. The Framework Document represents an agreement between Consumer Scotland and the Scottish Government that lays out the relationship in terms of the respective roles and responsibilities for carrying out our functions. As the principal source of reference for our corporate governance arrangements, the 'Framework Document' describes and sets out the:
- Relationship between Consumer Scotland and the Scottish Government
 - Responsibilities of the Accountable Officer and the Scottish Government
 - The frameworks within which we operate regarding Resource, Finance and Human Resources.
92. Consumer Scotland's framework document was last amended and approved by the Board on 14 May 2024 and is currently with Scottish Government officials for review.
93. Sam Ghibaldan was appointed as Chief Executive with effect from 20 June 2022. As Accountable Officer, Sam is responsible for maintaining an adequate and effective system of internal control, which supports the delivery of Consumer Scotland's vision, business priorities, aims, and policies (including those set by the Scottish Government), while safeguarding the public funds and assets for which Sam is personally responsible in accordance with the responsibilities assigned to him.
94. As a small organisation, we have a simple governance structure. The Board and ARC are supported by the Executive Team. The Scheme of Internal Delegation documents any functions which the Board have delegated to the Chief Executive and Executive Team, whilst still being responsible for them.
95. The Board has corporate responsibility for ensuring that Consumer Scotland fulfils its aims and objectives and for promoting the efficient and effective use of staff and other resources in accordance with the principles of Best Value. Members of the Executive Team attend Board meetings to support the Board members.
96. The operation of the Board is governed by the Standing Orders, which set out arrangements for the Board. The Code of Conduct for Members sets out the expected

behaviours of our Board members. Our Code of Conduct is based on the Model Code of Conduct for Members of Devolved Public Bodies.

97. The ARC provides constructive challenge of Consumer Scotland's risk, governance and financial management including the policies, controls and assurance in place for each. The Committee focuses upon the Consumer Scotland's risk assessment and management, the internal and external audit processes and the production of the Annual Report and Accounts. It uses the Scottish Government Audit and Assurance Committee Handbook to guide its work. The Committee publishes its minutes on our website.
98. The Audit and Risk Committee benefits from the helpful and expert input of Deloitte LLP (appointed as External Auditor by Audit Scotland) and the Scottish Government Directorate for Internal Audit and Assurance who attend ARC meetings.
99. The other documents which form part of our governance framework are:
 - the Consumer Scotland Act 2020, which sets out our powers, functions and duties
 - our Strategic Plan, which sets out our purpose, ambition and strategic objectives
 - the Consumer Scotland Risk Management Framework, which sets out how significant risks facing Consumer Scotland Commission in the delivery of its corporate aims and objectives will be identified, evaluated and appropriately managed
 - our various corporate policies and procedures.
100. In March 2023, we developed and published Consumer Scotland's Strategic Plan, setting out our Purpose, Ambition, Strategic Objectives and Partnership Approach for 2023 – 2027

Table 15: Our Purpose, Ambition, Strategic Objectives and Partnership Approach for 2023 – 2027

Our Purpose		
To improve outcomes for current and future consumers		
Our Ambition		
That every consumer can participate in a fair and sustainable economy, confident their needs and aspirations will be met		
Our Strategic Objectives		
To enhance understanding and awareness of consumer issues by strengthening the evidence base	To serve the needs and aspirations of current and future consumers by inspiring and influencing the public, private and third sectors	To enable the active participation of consumers in a fairer economy by improving access to information and support
Our Partnership Approach		
To collaborate with other organisations with interests and expertise in consumer issues		

The Board

101. During 2023-2024 the Board met formally on eight occasions. A full set of minutes was produced to record all agreed actions and decisions, and these are published on our website. At each occasion all Board members were asked for any declarations of interest with a full record made in the minutes in compliance with the Code of Conduct.
102. The Board offer strategic advice and constructive challenge to the Chief Executive and the Executive Team, seek to improve performance, promote good governance and advise on identifying and managing risk.
103. During the year, the Board's work has included:
 - Considering the content of our 2023-2027 Strategic Plan and our 2024-2025 Work Plan
 - Receiving reports on the work of the ARC and contributing towards recommending mitigations to the risks assessed in the Consumer Scotland's strategic risk register
 - Receiving regular financial and budgetary updates, providing constructive feedback and challenge
 - Considering financial statements, including our draft Annual Report and Accounts
 - Considering the recommendations made in the Investigations scoping report
104. During the year, the ARC's work has included:
 - Directing the work of, and receiving progress reports from, Internal Audit
 - Reviewing External Audit reports where appropriate, which includes an Audit Scotland Interim Management Letter and Annual Audit Report including an ISA 260 report
 - Reviewing our budget and outturn position alongside financial performance against key metrics
 - Regular review and scrutiny of the Consumer Scotland Strategic Risk Register
105. Regular review meetings are held between the Chair of the ARC and Director of Operations to manage the preparation of the annual report and accounts.
106. During the year ended 31 March 2024, one new Board member was appointed until November 2026 (Lesley Halliday). The existing four Board members (including the Chair) were all reappointed as follows:
 - a. Nick Martin – reappointed to November 2027
 - b. David Wilson – reappointed to November 2028
 - c. Angela Morgan – reappointed to March 2029
 - d. James Walker – reappointed to March 2029

Corporate Governance

107. The Scottish Government guidance for members of statutory boards, "On Board" states that "Corporate governance is the way in which organisations are directed,

controlled and led and defines where accountability lies throughout the public body”. It defines the three main dimensions of corporate governance as: roles, responsibilities and relationships; effective financial management, and ethics and standards of behaviour.

108. The Governance Framework section above sets out how our roles, responsibilities and relationships are defined. Our corporate policies are reviewed regularly to an agreed schedule and are published on our website.
109. We adhere to the Scottish Public Finance Manual (SPFM) issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency, effectiveness and equality, and promotes good practice and high standards of propriety. We have also taken advantage of Government procurement frameworks to achieve best value. We use Scottish Government financial management software and systems which provide compliant controls.
110. Rules on ethics and standards of behaviour for our Board members are set out in our Code of Conduct, which is based on the Model Code of Conduct for Members of Devolved Public Bodies. The Standards Commission deals with alleged breaches of the code, as provided for by the Ethical Standards in Public Life etc. (Scotland) Act 2000.^{xvii}
111. Rules on ethics and standards of behaviour are set out in the Civil Service Code, and this forms part of the terms and conditions for staff. We also follow the Scottish Government’s Fairness at Work policy.
112. Consumer Scotland’s whistle-blowing policy sets out how all those who work within the organisation can raise concerns about malpractice. It is subject to regular review by the Governance Board (last review on 13 June 2023) and has been assessed as being effective. To date, no concerns about malpractice have been raised.

Corporate Services

113. Consumer Scotland has procured a range of Corporate Services to support the effective operation and governance of the organisation. Where possible, these are shared services operated by core Scottish Government on our behalf – finance, internal audit, data protection, IT and procurement. Where a shared service is not available through the Scottish Government, we have contracted external providers through the appropriate procurement framework – HR, payroll, website, occupational health, employee benefits, employee assistance programme, recruitment, legal, communications and monitoring.
114. During 2023-24, in line with the requirements of the Public Records (Scotland) Act 2011, our Records Management Plan was submitted to the Keeper of the Records of Scotland. This sets out proper arrangements for the management of our public records.

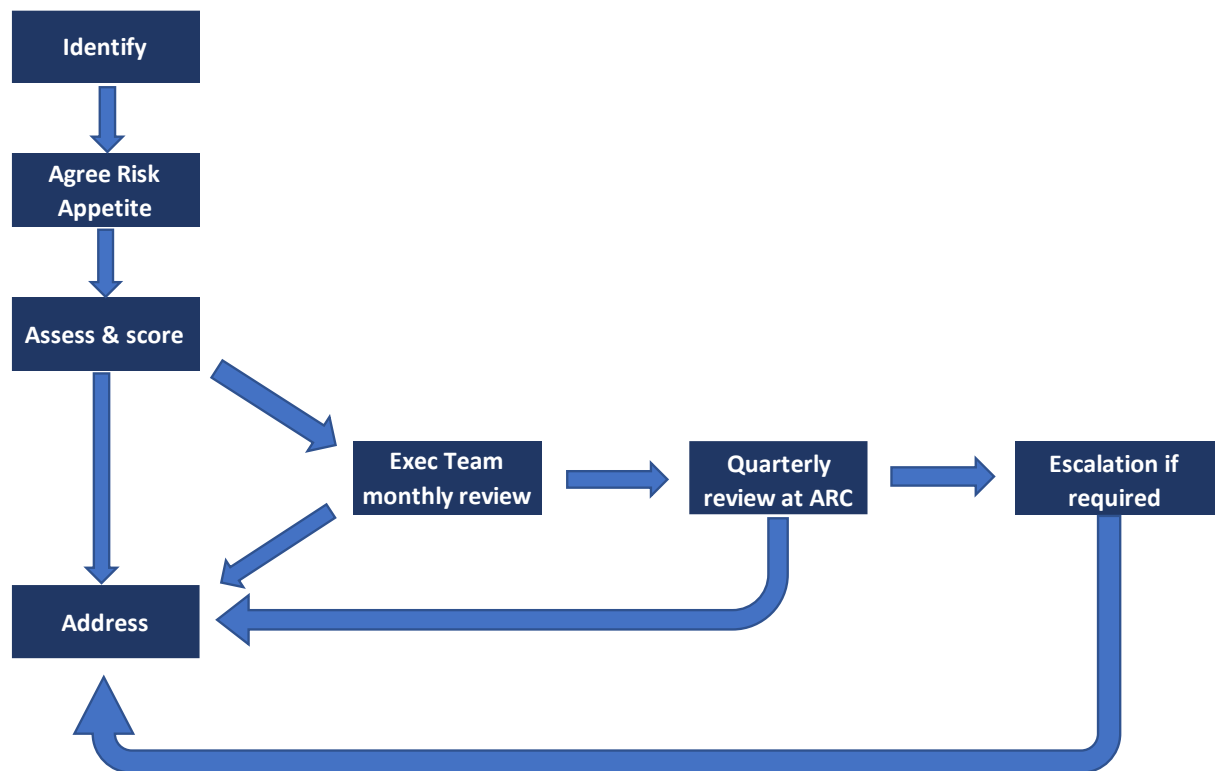
Risk Management

115. All bodies to which the SPFM is directly applicable must operate a risk management strategy in accordance with relevant guidance issued by the Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.
116. Our risk management reporting also complies with the central government Corporate Governance Code and the Orange Book as outlined in the Government Finance Reporting Manual (FReM) 6.4.8 (f)
117. Consumer Scotland's Risk management framework specifies the roles of the Board, the ARC, Executive Team and the Chief Executive, and details the processes of risk identification, review and escalation. The framework is reviewed and approved by the Board at least every two years and was last reviewed in November 2023.
118. The risk management systems detailed in this statement have been in place since the organisation vested on 1st April 2022 and remain in place as at the date of approval of the annual report and accounts.
119. The system of internal control implemented by Consumer Scotland is designed to manage risk to a reasonable level, rather than eliminate all risk. It is proportionate and provides reasonable assurance of effectiveness.
120. Within Consumer Scotland, the systems of internal control are a key element of the assurance and governance framework, based on an on-going process designed to:
 - identify and prioritise risks to the achievement of Consumer Scotland's statutory purpose, aims and strategic objectives.
 - evaluate the likelihood of those risks being realised, and the impact, should they be realised; and
 - manage them efficiently, effectively and economically.

Risk Management Process

121. Consumer Scotland follows Scottish Government guidance on Risk Management best practice per the Figure 3 below. The strategic risks are presented to the Executive Team monthly and all boards quarterly. They are discussed openly; challenge is welcomed and the learning from the risk discussions is fed back into the process.
122. As part of our Internal Control Checklist activity, we have assessed controls throughout Consumer Scotland.

Figure 3: Risk Management Process



123. Our approach aims to ensure that:

- Risk management is embedded in day to day decision-making
- Risk management helps enable us to achieve our objectives
- Risks are recorded and reported in a manner that enables the ARC to scrutinise how the organisation manages risk
- The Board and Executive team are aware of, and make decisions about, the most serious risks

124. The current key risks are reported in the performance analysis section at paragraphs 34-37.

125. I am content that Consumer Scotland’s management of risks is effective. I assess our risk profile to be acceptable.

Audit and Assurance

126. Consumer Scotland is in its third year of operation and planning for our second external audit commenced in February 2024.

127. Internal Audit has completed the following work in the year:

- Financial Monitoring and Control Arrangements – Reasonable Assurance Rating
- Governance Arrangements – Reasonable Assurance Rating
- KPI and Stakeholder Engagement - Advisory

Governance Statement

128. All Audit recommendations have been discussed at the quarterly ARC and progress on embedding them is tracked and evidenced. We are working closely with both Scottish Government Directorate for Internal Audit and Assurance and the External Auditors to understand the areas of focus for the coming year.
129. The Directorate for Internal Audit and Assurance's annual assurance report for 2023-24 gives an overall Reasonable Assurance opinion meaning that controls are adequate but require improvement.

Business Continuity

130. Consumer Scotland has a Business Continuity Plan that is regularly reviewed, and contacts and contingencies amended, it is supported by an incident management process, operational, tactical and strategic responses, and the assessment of business-critical tasks.

Counter-Fraud

131. We have worked with the Scottish Government and external bodies to clarify our response to potential fraud cases and review our policies. We have a counter fraud policy in place which mirrors that of the Scottish Government. There were no potential fraud cases identified during the year.

Best Value

132. The Accountable Officer has a duty to secure Best Value in the services Consumer Scotland provides. Best Value principles are embedded in Consumer Scotland's planning, governance and business decision arrangements. Output from events is compiled and communicated to colleagues through formal and informal communication channels and the minutes of the Board and ARC are uploaded onto Consumer Scotland website for transparency. The organisation uses a range of mechanisms to obtain feedback from stakeholders; this includes desk-top research and face to face feedback. Together, all this information provides event driven feedback on Consumer Scotland's outputs and is used by management to improve performance.

Information Assurance

133. Consumer Scotland colleagues are reminded through Consumer Scotland's Records Management Policy that it is their responsibility to know where information is held, how to retrieve it and to understand what can be shared. The Director of Operations is designated as the Senior Information Risk Owner and the two remaining Directors have been assigned Information Asset Owner responsibilities and are provided with appropriate training and guidance to understand and address risks to information. This will ensure that information is fully used within the law and for public good.
134. Our Records Management Plan was submitted to the Keeper at National Records of Scotland in October 2023 and formal approval was received in March 2024.

Data security

135. There were no known reportable data breaches in 2023-2024.

Written Assurances

136. As Chief Executive, I have received assurance from:

- the Scottish Government's Director of Financial Management in respect of the financial systems shared with the Consumer Scotland
- the Scottish Government's Director Digital in respect of the IT services shared with Consumer Scotland

137. These confirm that internal control matters in the respective Directorates have been, and are, working well and that there were no significant matters arising which would require to be raised specifically in the respective governance statement.

138. Additionally, I have received detailed statements of the current position from the Executive Team on the operation and effectiveness of internal controls in the areas for which they are responsible. This includes assurances on the operation of any contracts for services which we have procured externally.

139. I have also received a copy of the assurance provided for 2023-2024 from the Scottish Government's Directorate of Internal Audit and Assurance on the Scottish Government's corporate services which deliver our shared services. A reasonable assurance was given based on the work conducted during the year.

Assessment of Corporate Governance and Risk Management

140. As Accountable Officer, I have responsibility for overseeing Consumer Scotland's corporate governance arrangements including compliance with generally accepted best practice principles and relevant guidance. In addition, I have responsibility for reviewing the effectiveness of Consumer Scotland's risk management arrangements and system of internal control. My review of the effectiveness of these systems is informed by:

- regular discussions with the Executive Team and our people covering planning, performance, risk and use of resources
- regular discussions with the Director of Operations on governance matters
- reporting and insight from our internal auditors and their opinions on the quality of systems of governance, management and risk management
- the Board's views on management reporting, including on governance matters, performance and risk management
- the ARC views on the management of risk and assurance arrangements
- comments made by the external auditors in their reports and attendance at ARC
- the completion of the internal control checklist

Governance Statement

141. I confirm that I am content with the effectiveness of Consumer Scotland's arrangements to ensure appropriate standards of corporate governance, internal controls and effective risk management are met.

Remuneration and Staff Report

Remuneration Report

142. The information in the Performance and Accountability Reports is reviewed by the external auditors for consistency with the financial statements, and the information relating to the remuneration and pension benefits of senior management and non-executive directors; fair pay; staff numbers and staff costs has been audited by them.

Pay and Conditions

143. The Chief Executive is a Senior Civil Servant whose remuneration is set in accordance with the rules set out in chapter 7.1, Annex A, of the Civil Service Management Code and in conjunction with independent advice from the Senior Salaries Review Body (SSRB).^{xviii}

144. In reaching its recommendations, the SSRB considers the following:

- The need to recruit, retain, motivate and where relevant, promote suitably able and qualified people to exercise different responsibilities.
- Regional/local variations in labour markets and their effects on the recruitment, retention and, where relevant, promotion of staff.
- UK Government policies for improving the public services including the requirement to meet output targets for the delivery of services.
- The funds available as set out in the UK Government's departmental expenditure limits; and
- The UK Government's inflation target.

145. Further information about the work of the SSRB can be found via the Office of Manpower Economics.

146. The staff of Consumer Scotland are civil servants. They are part of the Scottish Administration, rather than the Scottish Government, and are required to adhere to the standards set out in the Civil Service Code applicable to staff in the Scottish Administration. Staff are appointed by Consumer Scotland and act in accordance with the strategy set by the Board. Their remuneration is set in accordance with Scottish Government Public Sector Pay Policy and mirrors that of the Scottish Government Main Bargaining Unit (Consumer Scotland has a separate Recognition Agreement with the Scottish Government Trade Unions: PCS, Prospect and the FDA).^{xix} Unless otherwise stated, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in compensation as set out in the Civil Service Compensation scheme.

147. The Board are non-executive and appointments to Consumer Scotland are made by Scottish Ministers and are regulated public appointments and subject to the Public Appointments and Public Bodies etc. (Scotland) Act 2003 and the Gender Representation on Public Boards (Scotland) Act 2018. The appointments process is a regulated process for Scottish Ministers and is bound by the Ethical Standards Commissioner Code of Practice.

148. The Board Members provide direct, external, support, challenge and guidance to the Chief Executive and senior staff in relation to the delivery of risk, assurance and internal controls framework and participate in the Board and ARC.
149. Board members receive fees for duties carried out on behalf of Consumer Scotland including attendance at Board and committee meetings. Board fees are paid at the daily rate set out in their letters of appointment. Expenses incurred while carrying out their duties are reimbursed. Board Members receive fees on a monthly basis. The fees paid to Board and Committee members are governed by the Scottish Public Sector Pay Policy.^{xx}
150. Fees of the Board members and the salaries and accrued pension benefits of the Executive Team are shown below, following the format and methodology defined by the Cabinet Office and FReM.

Board Member Fees (audited information)

151. The Board directors are not salaried, but received the following in fees and expenses in connection with their duties:

Table 16: Board member fees

	2023-24
	£'000
David Wilson (Board Chair)	15-20
Nick Martin (ARC Chair)	5-10
Angela Morgan	5-10
James Walker	0-5
Lesley Halliday	0-5

152. Board Members of Consumer Scotland are appointed by Scottish Ministers for an initial period of three years. Reappointments are made by Scottish Ministers for further periods up to a maximum of 8 years.
153. Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Principles, which require appointments to be on merit on the basis of fair and open competition, but also include the circumstances when appointments may otherwise be made.
154. The Scottish Government, and the rest of the UK Civil Service, introduced a policy of no mandatory retirement age for the Senior Civil Service from 1 October 2009, in line with the implementation of the Employment Equality (Age) Regulations 2006.^{xxi} Under current arrangements, an individual's pension will become payable from age 60 if they were employed in the Civil Service prior to 30 July 2007, and in these circumstances that employee can choose to leave work and collect their pension at any time from age 60, subject only to compliance with the basic notice of leave requirements. The Government announced a number of reforms to civil service pensions which are applied from 1 April 2015. Subsequent pension arrangements are detailed further below in the appropriate sections.

155. The Civil Service Commission's website^{xxii} provides further information about their work.

156. The provision previously raised in respect of the tax treatment of Board members' expenses has now been released as the issue has been resolved.

Remuneration Disclosure

Executive Team Remuneration (audited information)

157. The following sections provide details of the remuneration and pension interests of the permanent members of the Executive Team of Consumer Scotland.

Table 17: Executive Team remuneration and pension

Name and Title	2023-24			2022-23		
	Salary	Accrued Pension benefits (to nearest £1000)	Total (to nearest £1,000)	Salary	Accrued Pension benefits (to nearest £1000)	Total (to nearest £1,000)
	£'000	£'000	£'000	£'000	£'000	£'000
Sam Ghibaldan Chief Executive	85-90	34	115-125	60-65 FYE^ 80-85	25	85-90
Sue Bomphray Interim Director of Operations	80-85	33	110-120	105-110 FYE^ 165-170	0	105-110
David Eiser Director of Analysis, Research and Investigations	80-85	33	110-120	25-30 FYE^ 75-80	10	35-40
Douglas White Director of Policy and Advocacy	80-85	33	110-120	30-35 FYE^ 75-80	14	45-50

^FYE = Full Year Equivalent – all staff started part way through FY2022-23.

Notes

- None of the above received any benefits in-kind or bonus payments in 2023-2024.
- Salary covers both pensionable and non-pensionable amounts and includes gross salaries; overtime; recruitment and retention allowances; or other allowances to the extent that they are subject to UK taxation and any ex-gratia payments. It does not include amounts which are a reimbursement of expenses directly incurred in the performance of an individual's duties.

- The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decreases due to a transfer of pension rights.

Table 18: Pension benefits (audited information)

Name and title	Accrued pension at pension age as at 31 March 24 and related lump sum	Real increase in pension and lump sum at pension age	CETV at 31 March 2024	CETV at 31 March 2023	Real increase/ (decrease) in CETV
	£'000	£'000	£'000	£'000	£'000
Sam Ghibaldan Chief Executive	0-5	0-2.5	55	22	24
Sue Bomphray Director of Operations	0-5	0-2.5	29	0	23
Douglas White Director of Policy and Advocacy	0-5	0-2.5	34	10	17
David Eiser Director of Analysis, Research and Investigations	0-5	0-2.5	34	8	19

Notes

- The above pension information was supplied to Consumer Scotland by the civil service pension administration team (MyCSP).
- Employer contributions to all pension plans for 2023-2024 were £448,000 including £103,393 for the Executive Team.

Civil Service Pensions

158. Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date, all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.
159. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the

Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits ‘banked,’ with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

160. Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.
161. The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).
162. The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.)

163. Further details about the Civil Service pension arrangements can be found on their website.^{xxiii}

Cash equivalent transfer values

164. A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.
165. The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs (Cash Equivalent Transfers Values) are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

166. This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Fair pay (audited)

167. Consumer Scotland is required to disclose the relationship between the remuneration of the highest-paid employee and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

Table 19: Fair pay

Heading	2023-24*	2022-23*
Band of highest paid director £'000	85-90	165-170
Percentage increase in highest paid Director over previous year, based on mid-point of salary band	5.7%	N/A
Average percentage increase for employees overall (excluding highest paid Director)	18.0%	N/A
Lower Quartile (25 percentile)	£39,652	£33,120
25 percentile Ratio	2.2	5.1
Median total remuneration	£48,992	£41,642
Median Ratio	1.8	4.1
Upper Quartile (75 percentile)	£64,229	£52,355
75 percentile Ratio	1.4	3.2
Range minimum – maximum £'000 (FTE)	30 – 35 to 85-90	30-35 to 85-90

*Note these figures relate to salary only; there are no benefits in kind in place.

168. The lower quartile, median and upper quartile remuneration calculation includes directly employed staff paid through Consumer Scotland's payroll and covers both permanent staff, those on fixed term contracts and agency staff (all on an annualised basis).
169. The average percentage increase for employees overall (excluding the highest paid Director) is relatively high due to all staff commencing employment at the bottom of the relevant pay band and then all progressing through the pay steps at the same time. This will drop off through 2024-25 as staff reach the tops of their pay band.
170. Consumer Scotland believes the median pay ratio for the relevant financial year is consistent with the pay, reward and progression policies for the employees taken as a whole. The ratios have reduced from the previous year when they were inflated by the highest paid Director being a day-rate specialist agency worker.
171. The 25th percentile ratio has decreased from the previous year due to the day-rate specialist agency worker no longer being in place and staff progressing through the pay steps and closing the gap to the highest paid director.
172. The 75th percentile ratio has decreased from the previous year due to the day-rate specialist agency worker no longer being in place and staff progressing through the pay steps and closing the gap to the highest paid director.
173. Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Staff Report

Table 20: Staff numbers (audited information)

Number of full-time equivalent persons employed at year end*	2023-24	
	Female	Male
Senior civil servant	0.0	1.0
Senior management	1.0	2.0
Other permanent staff	15.23	11.7
Fixed term staff	1.5	0.6
Agency staff	0.0	0.0
Total	17.73	15.3

* This total is affected by rounding. Excludes secondees and board members.

174. Staff costs for Consumer Scotland are set out in the notes to the accounts at page 97.

175. Wages and salaries include gross salaries, non-consolidated payments, overtime and any other allowance that is subject to UK taxation. The payment of legitimate expenses is not part of the salary.

Notes

- Civil Service pension arrangements are unfunded multi-employer defined benefit schemes, but Consumer Scotland is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the Civil Service pension arrangements as at 31 March 2016.^{xxiv}
- For 2023-24, employers' contributions of £448,000 were payable to the CSPS at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023-24 to be paid when the member retires and not the benefits paid during this period to existing pensioners.
- Employees can opt annually to make additional contributions to their Alpha scheme through the Additional Pension or Additional Voluntary Contribution schemes through MyCSP.
- Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No employees have opted for a partnership pension account.

Staffing

176. Staff turnover as at 31 March 2024 was 5.9% equating to 2.0 FTE.

Figure 4: Headcount percentage of permanent and fixed-term staff by pay range at end of Mar 2024.

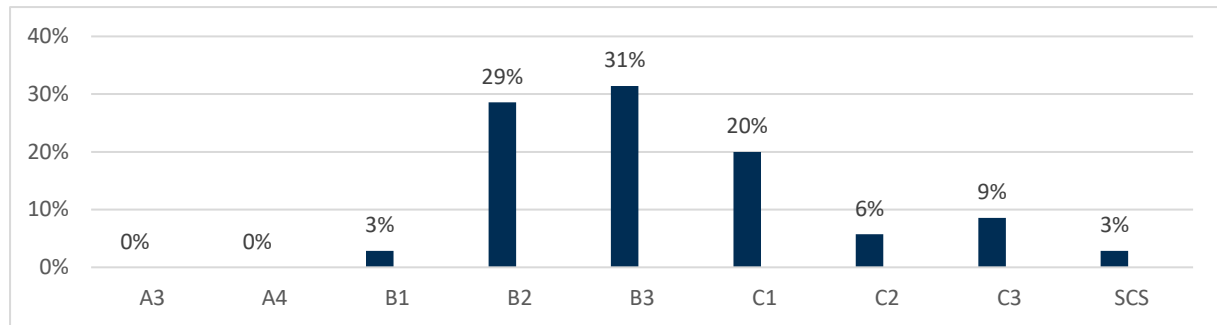


Table 21: Headcount of permanent and fixed-term staff by pay range at end of March 2024.^{xxv}

Pay Range	A3	A4	B1	B2	B3	C1	C2	C3	SCS	All
Consumer Scotland Total count	0	0	1	10	11	7	2	3	1	35
Consumer Scotland Total %	0%	0%	3%	29%	31%	20%	5%	9%	3%	100%

Employee recruitment

177. Recruitment and promotion campaigns undertaken by Consumer Scotland were carried out on the basis of fair and open competition, selection on merit and in accordance with Scottish Government guidance and the Civil Service Commissioners Recruitment Principles. The below recruitment summary does not include posts which were filled on a temporary basis and refers to headcount throughout:

- 4 'B' band vacancies were recruited (all externally).
- 3 'C' band vacancies were recruited (1 from Scottish Government, 1 from 'Other Government Department', 1 conversion from temp to perm).

178. Staff joining Consumer Scotland came from the Scottish Government, Other Government Departments, not for profit and the private sector.

179. Consumer Scotland staff are employed in a number of roles structured into three core Directorates:

- Operations – this includes head of, manager and officer levels roles covering strategic partnerships, finance, governance, HR, corporate services and procurement.

- b. Policy and Advocacy – this includes head of, manager and office roles covering policy and advocacy.
- c. Analysis, Research and Investigations – this includes head of, manager and officer roles covering analysis, research and investigations.

Sickness absence management

180. Consumer Scotland's monitors attendance management and supports managers in applying the Scottish Government attendance management policy.

Table 22: Staff absence

	Average total of sick days per employee 2023-24
Short term (<20 days)	1.91
Long term (>20 days)	14.23
Total	16.14

181. Our reasons for absence are similar to elsewhere in the Scottish public bodies environment, with stress or anxiety being the reason for over 50% of absences.

Employees with disabilities

182. Consumer Scotland complies with the Scottish Government's Civil Service Code of Practice on the employment of people with disabilities and is an Employment Services disability symbol user as well as being registered for the Disability Confident Scheme^{xxvi}. The code of practice aims to ensure that there is no discrimination on the grounds of disability and that access to employment and career advancement with Consumer Scotland is based solely on ability, qualifications, and suitability for the work.
183. Consumer Scotland allows for reasonable adjustments to be made to either the work environment or terms and conditions of employment, as and when required.

Reporting of Civil Service and other compensation schemes – exit packages (audited information)

184. In 2022-2023, there were no compulsory redundancies and no other compensation payments made in relation to dismissals.

Staff survey

185. Consumer Scotland does not have enough staff to take part in the Civil Service People Survey. Instead we monitor staff engagement informally through our independent HR Business Partner – see detail at para 27. We will run our own staff survey in 2024-2025.

Employee relations

186. Consumer Scotland aims to consult directly with employees wherever possible and also has a recognition agreement in place with the core members of the Council of Scottish Government Unions (PCS, Prospect and the FDA) as required. We mirror the terms and condition set by the Scottish Government main bargaining unit, including pay policy.
187. Consumer Scotland analogues Scottish Government HR policies and is subject to the public sector pay strategy annually.
188. Our Operations team fulfil the role of Health and Safety oversight and in partnership with our landlords (Registers of Scotland and Scottish Legal Aid Board), we carry out regular workplace inspections throughout the year, focusing on both health and fire safety. Fire evacuations are carried out regularly during the year by our landlords. No issues were identified.
189. We have an active career management/learning and development group who are developing a suite of learning interactions and resources for all staff. Our key staff skill sets are analysis, research, investigations, policy, communication and operations.

Diversity and Inclusion

190. Consumer Scotland is not yet subject to the Public Sector Equality Duty under the Equality Act 2010^{xxvii}; however, the intention is that it will be. Consumer Scotland aims to comply with the spirit of the Act and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012^{xxviii} and 2016 until it is legally required to do so. Consumer Scotland is committed to promoting equality and diversity in its activities and operation, including in the recruitment and employment of staff and Board members.
191. We actively consider diversity and inclusion across our work programme and the operation of our organisation. This includes our research, policy development, recruitment of staff and Board members, including retention and progression.

Gender Balance on Boards

192. Consumer Scotland is subject to the Gender Representation on Public Boards (Scotland) Act 2018^{xxix}. Following the appointment of a fifth Board member to Consumer Scotland in November 2023, we have now met the gender balance target. We continue to develop a succession plan to ensure that we do all we can to attract diverse, high calibre candidates in future, and will report on the measures we are taking as required by the Gender Representation on Public Boards (Scotland) Act 2018. Our recent recruitment campaign for a fifth Board member was focused on attracting applications from women and we used Changing the Chemistry^{xxx} to help maximise reach in our target groups.

Gender Pay Gap

193. The gender pay gap is calculated as the difference between average hourly earnings of men and women as a proportion of average hourly earnings (excluding overtime) of men's earnings. A positive pay gap means that men earn more than women on

average and a negative gap the reverse. The gender pay gap is a means of highlighting a disparity in the pay received by men and women and is influenced by both the pay levels for equivalent jobs and the distribution of men and women across the grades within the workforce. Consumer Scotland pays women and men undertaking work of an equal value on the same scale (i.e. within the same pay range) with the exact pay depending on length of service.

194. The median gender pay gap for permanent staff at Consumer Scotland at 31 March 2024 is 0% and the arithmetic mean gender pay gap is -0.4%. With relatively small numbers of employees the pay gap measure is sensitive to quite small changes in staffing and pay. As at 31st March 2024 the Executive team was predominantly male (one female, three male) whilst the senior leadership team was predominantly female (78%).

Hybrid Working

195. Hybrid working is blended home and office working and has been widely adopted across the Scottish Government, public bodies and throughout different industries.
196. At Consumer Scotland, we have created a hybrid working environment that sets our people up for success, promotes collaboration and maintains safety, whilst promoting wellbeing in the workplace.
197. The establishment of hybrid working has meant that arrangements can be set flexibly to suit business needs, colleagues' work-life balance and team dynamics. Hybrid working continues to offer the flexibility our colleagues have asked for and is good for many people's wellbeing and the environment.



Sam Ghibaldan
Chief Executive
24 September 2024

Parliamentary Accountability Disclosures (audited information)

- 197 Consumer Scotland is a Non-Ministerial Office and as such is not part of the Scottish Government but is part of the Scottish Administration. Consumer Scotland is directly accountable to the Scottish Parliament for the discharge of their statutory functions.
- 198 Whilst our accounts are not consolidated with those of the Scottish Government, we liaise with Scottish Government Finance colleagues on a regular basis to provide them with information relating to our expenditure and anticipated outturn. Our Framework Agreement sets out our relationship with Scottish Ministers.

Statement of losses and special payments

- 199 No material losses were incurred by, or special payments made by Consumer Scotland during the year ended 31 March 2024.

Gifts and Charitable Donations

- 200 No gifts were made during the year.

Remote Contingent Liabilities

- 201 Consumer Scotland is required to report any liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability under IAS37. There are currently no remote contingent liabilities to report.
- 202 These accounts were authorised for issue on the same date as the Independent Auditor's report.



Sam Ghibaldan
Chief Executive
24 September 2024

Independent auditor's report to Consumer Scotland, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Consumer Scotland for the year ended 31 March 2024 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Government Financial Reporting Manual (the 2023/24 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2024 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 10 November 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate

Independent Auditor's Report

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the central government sector to identify that the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers are significant in the context of the body;

Independent Auditor's Report

- inquiring of the Accountable Officer and Head of Corporate as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer and Head of Corporate concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the body operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This includes the Public Finance and Accountability (Scotland) Act 2000.
- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the body's ability to operate or to avoid a material penalty. These include the Data Protection Act 2018 and relevant employment legislation.

As a result of performing the above, we identified the greatest potential for fraud was in relation to the requirement to operate within the revenue budget set by the Scottish Government as part of the Budget (Scotland) Act. The risk is that the expenditure in relation to year-end transactions may be subject to potential manipulation in an attempt to align with its tolerance target or achieve a breakeven position. In response to this risk, we obtained confirmation of the revenue budget via the Budget (Scotland) Act and tested a sample of accruals, prepayments and invoices received around the year-end to assess whether they have been recorded in the correct period.

In common with audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulation described as having a direct effect on the financial statements;

Independent Auditor's Report

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects:

- the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit

Independent Auditor's Report

of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and

Independent Auditor's Report

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

DocuSigned by:

15868F02CE89431...

Pat Kenny, CPFA (for and on behalf of Deloitte LLP)
110 Queen Street,
Glasgow,
G1 3BX
United Kingdom

24 September 2024

Financial Statements

Statement of comprehensive net expenditure for the year ended 31 March 2024

		Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
	Note		
Staff costs	5	2,396	1,689
Other operating costs	6	1,263	1,196
Notional costs	7	48	52
Depreciation	8	1	-
Provisions	12	-	1
Net operating expenditure		3,708	2,938
Total comprehensive net expenditure for the year		3,708	2,938

Per chapter 11 of the FReM, grant funding from the Scottish Government and other sponsoring bodies (Department of Business and Trade and Scottish Water) is not shown as income in the Statement of Comprehensive Net Expenditure, but is instead recognised as funding in the Statement of Changes in Taxpayer's Equity.

All amounts relate to continuing activities.

The accompanying notes on pages 90-101 form an integral part of these financial statements.

Statement of financial position as at 31 March 2024

	Note	31 March 2024 £000	31 March 2023 £000
Non-current Assets			
Property, plant and equipment	8	87	5
Total Non-current Assets		87	5
Current Assets			
Trade receivables and other current assets	10	285	85
Cash and cash equivalents	9	109	77
Total Current Assets		394	162
Current Liabilities			
Trade and other payables	11	(485)	(397)
Provisions for liabilities and charges	12	-	(1)
Total Current Liabilities		(485)	(398)
Net Current Liabilities		(91)	(236)
Total Assets less Current Liabilities		(4)	(231)
Total Assets less Total Liabilities		(4)	(231)
Equity			
General Fund	SOCTE	(4)	(231)
Total Equity		(4)	(231)

The accompanying notes on pages 90-101 form an integral part of these financial statements.



Sam Ghibaldan
Chief Executive Officer

24 September 2024

Statement of cash flows for the year ended 31 March 2024

	Note	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Cash flows from operating activities			
Net operating expenditure	SOCNE	(3,708)	(2,938)
Adjustments for non-cash transactions:			
Depreciation	8	1	-
Notional costs – External Audit Fee	7	48	52
Movements in working capital:			
Increase in trade receivables and other current assets	10	(200)	(85)
Increase in trade and other payables	11	88	397
Increase/ (Decrease) in Provisions		(1)	1
Net cash flow from operating activities		(3,772)	(2,573)
Cash flows used in investing activities			
Purchase of Property, Plant and Equipment	8	(83)	(5)
Net cash flow used in investing activities		(83)	(5)
Cash flows from financing activities			
Scottish Government Grant in Aid	3	2,467	1,665
Grants from sponsoring bodies (DBT ⁴ , Scottish Water)	3	1,420	990
Net cash flow from financing activities		3,887	2,655
Net increase in cash during the year		32	77
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	9	77	-
Cash and cash equivalents at the end of the year	9	109	77
Net increase in cash during the year		32	77

The accompanying notes on pages 90-101 form an integral part of these financial statements.

⁴ The UK Government's Department of Business and Trade

Statement of changes in taxpayers' equity for the year ended 31 March 2024

	Note	Total Reserves	
		2023/24 £000	2022/23 £000
Balance as at 1 April 2023/ 1 April 2022		(231)	⁵ –
Non-cash charges – Notional Costs (External Audit Fee)	7	48	52
Net operating expenditure	SOCNE	(3,708)	(2,938)
Scottish Government Grant in Aid	3	2,467	1,665
Grants from sponsoring bodies (DBT, Scottish Water)	3	1,420	990
Balance as at 31 March 2024/ 31 March 2023		(4)	(231)

The accompanying notes on pages 90-101 form an integral part of these financial statements.

⁵ The year ended 31st March 2023 was Consumer Scotland's first period of operation.

Notes to the Accounts

1. Statement of accounting policies

1.1. Basis of preparation

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 these financial statements have been prepared in accordance with the principles and disclosure requirements of the 2023-24 Government Financial Reporting Manual (FReM). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

The accounts are prepared using accounting policies, and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors.

Consumer Scotland did not rely on any significant judgements or estimates in compiling the financial statements for the year ended 31st March 2024.

The particular policies adopted by the Scottish Government relevant to Consumer Scotland are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.2. Accounting convention

These accounts have been prepared under the historical cost convention and on a going concern basis.

1.3. Critical accounting judgements and key sources of estimation

The preparation of these accounts requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. These assessments are based on historic and other factors that are believed to be reasonable, the results of which form the basis for making judgements. The estimates and underlying assumptions are reviewed on an ongoing basis.

In the year ended 31st March 2024, there were no material assumptions or other sources of estimation uncertainty that could lead to a significant risk of a material adjustment to the carrying amounts of assets and liabilities in the forthcoming year.

1.4. New accounting standards

All new standards issued, and amendments made to existing standards are reviewed by the Financial Reporting and Advisory Board (FRAB) for subsequent inclusion in the FReM in force for the year in which the changes become applicable.

IFRS 16 – Leases, is a new standard that came into effect for accounting periods beginning after 1 April 2022 and is therefore now applicable to Consumer Scotland for this and the previous financial year.

The primary impact of IFRS 16 is to remove the distinction between finance and operating leases and to ensure that all assets embedded within leases are capitalised and recorded on the Statement of Financial Position, unless immaterial or exempt.

A review has been undertaken of Consumer Scotland's activities and accounting transactions to identify any significant service arrangements and ascertain whether any are a lease. Where a service contract is not obviously a lease, it has been considered whether there are any 'lease like' characteristics in the contract even if these only form part of the overall arrangement. i.e. the contract provides for the right to control the use of an asset for a period of time in exchange for a consideration. Based on this review for the year ended 31st March 2024, it can be concluded that Consumer Scotland had not entered into any service arrangements where the bias of the control over the purpose and rights of the underlying asset while the service was provided was such that it could be considered a lease under IFRS16.

On 1st April 2024, Consumer Scotland entered into an arrangement to rent new office premises at Thistle House, Edinburgh. This is a long-term arrangement that includes characteristics that would require it to be considered to be a lease under IFRS 16 in the financial statements for the year ended 31st March 2025, and beyond for the term of the arrangement.

No other new standards had a material effect on Consumer Scotland's financial statements for the year ended 31st March 2024.

1.5. Property, plant, and equipment (PPE)

All PPE assets will be accounted for as non-current assets unless they are deemed to be held-for-sale and are accounted for under IAS 16 - Property, Plant and Equipment.

Depreciated historic cost has been used as a proxy for the fair value of furniture and fittings, equipment, and information technology systems. All the assets in these categories have short useful economic lives, which realistically reflect the life of the asset and a depreciation charge, which provides a realistic reflection of consumption.

Losses in value reflected in valuations are accounted for in accordance with IAS 36, Impairment of Assets as adapted by the FReM which states that impairment losses that arise from a clear consumption of economic benefit should be taken to the statement of comprehensive net expenditure. The balance on any revaluation reserve (up to the level of impairment) to which the impairment would have been charged under IAS 36 would be transferred to the general fund. Upwards movements in value are taken to the revaluation reserve. Downward movements are set off against any credit balance held in the revaluation reserve until the credit is exhausted and thereafter charged to the Statement of Comprehensive Net Expenditure (SOCNE).

1.6. Depreciation and Amortisation

For all property, plant and equipment depreciation is charged from the month they are brought into service. For intangibles, where relevant, amortisation is applied in a similar manner.

Rates are calculated to write off their valuation by even instalments over their estimated useful lives, which for the principal categories of assets are as follows:

Furniture and Fittings	3 - 15 years
Office Equipment	3 - 15 years
Information Technology	3 - 15 years
Software	3 - 5 years

The useful economic life of individual assets is reviewed annually, and the asset life adjusted accordingly.

1.7. Capitalisation

The minimum level for capitalisation of physical non-current assets is £5,000.

Purchased computer software is capitalised as an intangible asset where expenditure is greater than £1,000. All purchased software licences with a term greater than one year are capitalised as intangible assets. There were no intangible assets that were required to be capitalised in this financial year.

1.8. Financial Instruments

Financial Instruments are classified and accounted for, according to the substance of the contractual agreement, as financial assets, financial liabilities or equity instruments. Consumer Scotland held no equity instruments as at 31st March 2024, or during the year.

Financial assets are classified into the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit and loss (FVTPL)

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets and financial liabilities are included on Consumer Scotland's Statement of Financial Position. These are recognised when Consumer Scotland becomes party to the contractual provisions on a trade date basis.

Consumer Scotland's financial assets comprise trade and other receivables and cash and cash equivalents. These assets are recognised at cost, which appropriately approximates fair value given their short maturities.

Consumer Scotland's financial liabilities comprise trade and other payables which are recognised at cost, as this appropriately approximates fair value given their short maturities.

1.9. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

1.10. Short term employee benefits

A liability and an expense is recognised for holiday days and other short-term benefits when Consumer Scotland's employees render service that increases their entitlement to these benefits. As a result, an accrual has been made for holidays and flexi-time earned but not taken as at the 31st March 2024.

1.11. Grants from Scottish Government and other sponsoring bodies

Consumer Scotland receives support for its activities via grant in aid funding from the Scottish Government and sector derived grants from other sponsoring public bodies.

In addition to support received from the Scottish Government, grants are received from the UK Government's Department of Business and Trade and Scottish Water. The available funding is drawn against throughout the year in compensation for the expenses incurred on agreed work programmes.

These funding sources are considered "grants receivable as compensation for costs already incurred or for immediate financial support" and as such will be recognised in the period in which they are receivable in line with IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance. Consistent with chapter 11 of the FReM, grants are not shown as income in the SOCNE but are credited directly to the General Fund reserve on an accruals basis in the year to which they relate.

In accordance with the Scottish Public Finance Manual, procedures are in place to ensure compliance with any conditions or provisions attached to any grant payments.

1.12. Other operating income

No income was generated from any other activities in the year ended 31st March 2024.

1.13. Segmental reporting

IFRS 8 – Operating Segments requires disclosure of information about Consumer Scotland's operating segments. Information is based on internal management reports, both in the identification of operating segments and measurement of disclosed segment information.

1.14. Pensions

Past and present employees are covered by the provisions of the Civil Servants and Other Pensions Scheme (CSOPS), which is a defined benefit scheme and is unfunded. Consumer Scotland recognises the expected cost of providing pensions for its employees on a systematic and rational basis over the period during which it benefits from their services by payment to the CSOPS of amounts calculated on an accruing basis (relevant disclosures are included in the Remuneration and Staff report - see pages 69-70). Liability for payment of future benefits is a charge to the CSOPS. Separate scheme statements for the CSOPS as a whole are published.

1.15. Value added tax (VAT)

Most of the activities of Consumer Scotland are outside the scope of VAT. In general, output tax does not apply, however input tax on purchases is recoverable in many circumstances. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. The Scottish Government is responsible for recovering VAT from HM Revenue and Customs (HMRC) on behalf of Consumer Scotland.

1.16. Provisions

IAS 37 - Provisions, Contingent Liabilities and Contingent Assets applies in full, and in these accounts, provisions are made for legal or constructive obligations which are of uncertain timing or amount at the statement of financial position date on the basis of the best estimate of the expenditure required to settle the obligation. Where material, they would be discounted using the appropriate discount rate as prescribed by HM Treasury.

There were no material provisions included in the financial statements as at 31 March 2024. A provision of immaterial value was disclosed for information in the year ended 31 March 2024. This provision considered a potential post year end charge relating to uncertainty about the correct tax treatment of the Board members' expenses that were incurred during that financial year. A suitably compliant process is now in place to ensure that the reimbursement of Board members' expenses is treated correctly for tax and the provision is no longer required.

1.17. Related party transactions

Consumer Scotland is a Non-Ministerial Office of the Scottish Government and as such considers Scottish and UK Government bodies to be related parties. During the year, Consumer Scotland undertook a number of material financial transactions with these government bodies. Further details are provided at note 13 to these financial statements.

1.18. Going concern

Consumer Scotland receives grant in aid funding from the Scottish Government and grants from other sponsoring organisations, specifically the Department for Business and Trade (formerly Business, Energy and Industrial Strategy) which is a department of the UK Government and Scottish Water.

Consumer Scotland's annual operating budget is approved and published each year, as part of the Scottish Government's budget, by the Scottish Parliament. Future funding requirements have been agreed with the Scottish Government (including specifically for the subsequent financial year to 31st March 2025) that give the Board reasonable expectation, taking account of grants from the other sponsoring bodies, that Consumer Scotland will have adequate resources to continue in operational existence for the foreseeable future. In addition, Consumer Scotland has no reason to believe that Scottish Ministers intend to withdraw support to the organisation, thus ensuring the continued provision of services by the entity. For these reasons, it is considered appropriate to prepare the financial statements using the going concern basis of accounting.

2. Statement of operating costs by operating segment

Net expenditure by segment

	Net expenditure					Total
	£000	Energy	Post	Water	Other	
Year ended 31 March 2024		844	193	355	2,316	3,708
Year ended 31 March 2023		628	126	237	1,947	2,938

Assets

	Energy	Post	Water	Other		Total	
				2023/24	2022/23	2023/24	2022/23
Total Assets	-	-	-	481	167	481	167
Total Liabilities	-	-	-	(485)	(398)	(485)	(398)
Net Liabilities	-	-	-	(4)	(231)	(4)	(231)

The net assets of Consumer Scotland are not separately identifiable on a segmental basis and have therefore been disclosed in the financial statements as a total only.

Consumer Scotland receives grant funding from the Department of Business and Trade and Scottish Water as a share of the consumer levies raised in their respective markets. The funding is provided for agreed work programmes carried out in relation to three separately reportable sections, Energy, Postal Services and Water.

Funding is received to enable Consumer Scotland to fulfil its role of representing the interests of consumers in these markets. Work outside these sectors is funded by the Scottish Government and includes cross-cutting activities to represent consumers in vulnerable circumstances and on the themes of the cost of living crisis and climate change. The costs of corporate functions are included on an apportioned pro rata basis under the relevant operating segment.

All activities of Consumer Scotland and assets held by them are geographically based in the UK.

3. Grant funding

	2023/24 £000	2022/23 £000
Scottish Government Grant in Aid	2,467	1,665
Grant from the Department of Business and Trade	1,064	753
Grant from Scottish Water	356	237
Total grant funding	3,887	2,655

4. Performance against budget

	2023/24		2022/23	
	£000	Budget	Budget	Expend
Net operating expenditure		3,763	3,704	2,938

The Budget figure above of £3,763,000 (22/23: £3,704,000) includes £2,317,000⁶ (22/23: £2,500,000) of budgeted funding from the Scottish Government, £1,088,000 (22/23: £884,000) of budgeted funding from the Department of Business and Trade and £358,000 (22/23: £320,000) of budgeted funding from Scottish Water. Only the required funding for expenditure incurred was claimed as grants during the year.

5. Staff costs

	2023/24 £000	2022/23 £000
Salaries	1,644	963
Social security	181	104
Other pension	448	242
Agency staff	46	329
Employee benefits	77	51
Total staff costs	2,396	1,689

Salaries include Board members' fees and expenses.

Employee benefits include accrued flexi-time and holiday pay.

Further details on staff numbers and related costs can be found in the Remuneration and Staff report (pages 67 to 78).

⁶ The total Scottish Government funding budget for 2023/24 was £2,400,000, however only £2,317,000 was allocated for expenditure, as £83,000 was used for the purchase of non-current asset additions, specifically furniture and computer monitors.

6. Other operating costs

	2023/24	2022/23
	£000	£000
Staff related:		
Recruitment	5	49
Training and subscriptions	71	19
Travel and subsistence	10	4
Payroll	7	3
Childcare	1	2
Non-staff related:		
Grant to third parties	444	399
Research	386	277
IT costs	74	172
Other office expenses including procurement	80	127
Accommodation costs	89	60
Legal and professional fees	21	31
Marketing	28	26
Publications	-	15
Computer equipment	20	6
Office equipment	27	6
Total other operating costs	1,263	1,196

'Grant to third parties' above comprises grants made to Citizens Advice Scotland, Trading Standards Scotland and Advice Direct Scotland for consumer initiatives.

7. Notional costs

	2023/24	2022/23
	£000	£000
External audit fee	48	52

8. Non-current assets

Property, Plant and Equipment	Furniture and Fittings	Office Equipment	Total
2023/24	£000	£000	£000
Cost			
As at 1 April 2023	-	5	5
Additions	75	8	83
As at 31 March 2024	75	13	88
Depreciation			
As at 1 April 2023	-	-	-
Charge for the year	-	1	1
As at 31 March 2024	-	1	1
Net Book Value			
As at 31 March 2023	-	5	5
As at 31 March 2024	75	12	87

Property, Plant and Equipment	Office Equipment
2022/23	£000
Cost	
As at 1 April 2022	-
Additions	5
As at 31 March 2023	5
Depreciation	
As at 1 April 2022	-
Charge for the year	-
As at 31 March 2023	-
Net Book Value	
As at 1 April 2022	-
As at 31 March 2023	5

9. Cash and cash equivalents

	2023/24	2022/23
	£000	£000
Consumer Scotland Bank Account - RBS	109	77

10. Trade receivables and other current assets

	2023/24	2022/23
	£000	£000
Amounts falling due within one year		
Accrued grants	280	76
Prepayments	5	9
Total receivable within one year	285	85

11. Trade and other payables

	2023/24	2022/23
	£000	£000
Amounts falling due within one year		
Trade payables	33	68
Other payables	107	77
Accruals	345	252
Total due within one year	485	397

12. Provisions for liabilities and charges

	2023/24	2022/23
	£000	£000
Provision for potential tax charge	-	1

A provision of immaterial value was disclosed in the year ended 31 March 2023. This provision related to a potential post year end charge that might occur due to uncertainty over the correct tax treatment of the Board members' expenses. A suitably compliant process is now in place to ensure that the reimbursement of Board members' expenses is treated correctly for tax and so this provision is no longer required.

13. Related party transactions

Consumer Scotland is a non-Ministerial Office of the Scottish Government and as such it considers the Scottish and UK Governments as related parties. During the year, Consumer Scotland undertook a number of material financial transactions with the Scottish Government and UK Government bodies.

The most significant of these were in relation to grant funding where Consumer Scotland received £2,467,000 (2022/23: £1,665,000) from the Scottish Government, £1,064,000 (2022/23: £753,000) from the UK Government's Department of Business and Trade and £356,000 (2022/23: £237,000) from Scottish Water.

In addition, Consumer Scotland received various services from other areas of the Scottish Government. These included serviced accommodation related charges of £77,000 (2022/23: £60,000), procurement service charges of £74,000 (2022/23: £40,000), and IT services and support charges of £45,000 (2022/23: £25,000).

No board member, senior manager or other related parties have undertaken any material transactions with Consumer Scotland during the year.

14. Capital commitments and contingent liabilities

As at the years ended 31st of March 2024 and 31st of March 2023, there were no contracted or foreseen capital commitments or contingent liabilities.

15. Important events occurring after the reporting period

As at the date of signing, no event has occurred since 31 March 2024 which materially impacts the financial statements.



Consumer Scotland

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 hereby give the following direction.
2. The statement of accounts for the financial year to 31 March 2024, and for subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial period, and of the state of affairs as at the end of the financial period.
4. This direction shall be reproduced as an appendix to the statement of accounts.

Kersti Berge
Director, DECC

On behalf of the Scottish Ministers

July 2024

Endnotes

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- ⁱ [Converting Scotland's home heating | Consumer Scotland](#)
 - ⁱⁱ [Consumer Scotland Performance Framework | Consumer Scotland](#)
 - ⁱⁱⁱ [Consumer Scotland Act 2020 \(legislation.gov.uk\)](#)
 - ^{iv} [Strategic Plan 2023-2027 | Consumer Scotland](#)
 - ^v [Work Programme 2024-2025 | Consumer Scotland](#)
 - ^{vi} [Community Empowerment \(Scotland\) Act 2015 \(legislation.gov.uk\)](#)
 - ^{vii} [National Performance Framework | National Performance Framework](#)
 - ^{viii} [Government Financial Reporting Manual: 2023-24 - GOV.UK \(www.gov.uk\)](#)
 - ^{ix} [Consumer Scotland Performance Framework | Consumer Scotland](#)
 - ^x [The Civil Service code - GOV.UK \(www.gov.uk\)](#)
 - ^{xi} [Code of Conduct for Members | Consumer Scotland](#)
 - ^{xii} [Register of Members' Interests | Consumer Scotland](#)
 - ^{xiii} [Public Services Reform \(Scotland\) Act 2010 \(legislation.gov.uk\)](#)
 - ^{xiv} [Standing Orders | Consumer Scotland](#)
 - ^{xv} [Framework Agreement | Consumer Scotland](#)
 - ^{xvi} [Scottish Public Finance Manual - gov.scot \(www.gov.scot\)](#)
 - ^{xvii} [Ethical Standards in Public Life etc. \(Scotland\) Act 2000 \(legislation.gov.uk\)](#)
 - ^{xviii} [Senior Salaries Review Body - GOV.UK \(www.gov.uk\)](#)
 - ^{xix} [Staff pay remits - Public sector pay - gov.scot \(www.gov.scot\)](#)
 - ^{xx} [Public sector pay strategy 2023 to 2024 - gov.scot \(www.gov.scot\)](#)
 - ^{xxi} [The Employment Equality \(Age\) Regulations 2006 \(legislation.gov.uk\)](#)
 - ^{xxii} [Home - Civil Service Commission \(independent.gov.uk\)](#)
 - ^{xxiii} [Civil Service Pensions / Home - Civil Service Pension Scheme](#)
 - ^{xxiv} You can find details in the [resource accounts of the Cabinet Office: Civil Superannuation](#).
 - ^{xxv} Pay ranges are in accordance with the Public Sector Pay Policy for 2023-24; confirmation of pay grades is contained within section three of the [technical guide](#)
 - ^{xxvi} [Disability Confident employer scheme - GOV.UK \(www.gov.uk\)](#)
 - ^{xxvii} [Equality Act 2010 \(legislation.gov.uk\)](#)
 - ^{xxviii} [The Equality Act 2010 \(Specific Duties\) \(Scotland\) Regulations 2012 \(legislation.gov.uk\)](#)
 - ^{xxix} [Gender Representation on Public Boards \(Scotland\) Act 2018 \(legislation.gov.uk\)](#)
 - ^{xxx} [Home | Changing The Chemist \(changingthechemistry.org\)](#)