

FINAL DOCUMENT FOR RELEASE on £45K payment

From: [redacted]

Sent: Thursday, January 9, 2020 12:13 PM

To: [redacted]@parliament.scot>

Cc: [redacted]@parliament.scot>; [redacted]@gov.scot>; [redacted]@gov.scot>;

[redacted]@gov.scot>

Subject: Scottish National Investment Bank - Ethical Finance Hub report - Provision of Advice on Ethical Statements

[redacted – s.38 -personal information]

As discussed yesterday, please find attached an advance copy of a report the Ethical Finance Hub has prepared for the Scottish National Investment Bank programme team setting out advice on Ethical Statements. We're sharing this in advance of publication in case it is helpful for Members to see ahead of Stage 3 of the Scottish National Investment Bank Bill.

I've included some suggested covering text below. Let me know if you have any questions about any of this.

Best regards,

[redacted – s.38 -personal information]

Bill Team Leader

Scottish National Investment Bank | Scottish Government

[redacted] [redacted] | [redacted]@gov.scot

Text [redacted] under s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation]

Full Business Document from Ethical Finance Hub [redacted] under s33 commercial interests

From: [redacted]@gov.scot>
Sent: Friday, August 9, 2019 2:40 PM
To: [redacted]@gov.scot>
Subject: RE: NCA - Ethical Statement Research Project

[redacted – s.38 -personal information]

Thanks for your email, for the sake of completeness we are certain that only the ethical finance hub can offer this service.

Kind regards,

[redacted – s.38 -personal information]

[redacted] | Head of Governance and Policy | Scottish National Investment Bank

Waverley Gate, 2-4 Waterloo Place, Edinburgh. EH1 3EG | Tel: [redacted] | Mob: [redacted]

Want to know more about the Bank? Read about it on our [website](#)

From: [redacted]@gov.scot>
Sent: 09 August 2019 13:13
To: [redacted]@gov.scot>
Subject: RE: NCA - Ethical Statement Research Project

Hi **[redacted – s.38 -personal information]**

[redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation].

Only if you are certain that the Ethical Finance Hub is the only supplier who can offer this service would an NCA application with this justification be considered.

Kind regards,

[redacted – s.38 -personal information]

From: [redacted]@gov.scot>

Sent: 08 August 2019 08:53

To: [redacted]@gov.scot>

Subject: RE: NCA - Ethical Statement Research Project

[redacted – s.38 -personal information]

Thanks for your email.

[redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation]

Happy to discuss,

Kind regards,

[redacted – s.38 -personal information]

[redacted] | Head of Governance and Policy | Scottish National Investment Bank

Waverley Gate, 2-4 Waterloo Place, Edinburgh. EH1 3EG | Tel: [redacted] | Mob: [redacted]

Want to know more about the Bank? Read about it on our [website](#)

From: [redacted]@gov.scot>
Sent: 07 August 2019 15:57
To: [redacted]@gov.scot>
Subject: RE: NCA - Ethical Statement Research Project

Hi [redacted – s.38 -personal information]

[redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation]

Happy to discuss further!

Kind regards,

[redacted – s.38 -personal information]

From: [redacted]@gov.scot>
Sent: 07 August 2019 09:47
To: [redacted]@gov.scot>
Subject: RE: NCA - Ethical Statement Research Project

Hi [redacted – s.38 -personal information]

Thanks for your follow up, my responses in blue.

[redacted – s.38 -personal information]

[redacted] Head of Governance and Policy | Scottish National Investment Bank

Waverley Gate, 2-4 Waterloo Place, Edinburgh. EH1 3EG | Tel: [redacted] | Mob: [redacted]

Want to know more about the Bank? Read about it on our [website](#)

From: [redacted]@gov.scot>
Sent: 07 August 2019 09:24
To: [redacted]@gov.scot>
Subject: RE: NCA - Ethical Statement Research Project

Hi [redacted – s.38 -personal information]

Thanks for your responses to my questions.

I have replied to some of your comments and asked a couple of additional questions. These points are in the red text.

Kind regards,

[redacted – s.38 -personal information]

From: [redacted]@gov.scot>
Sent: 06 August 2019 15:37
To: [redacted]@gov.scot>
Subject: RE: NCA - Ethical Statement Research Project

Hi [redacted – s.38 -personal information]

Thanks for your email, taking your questions in turn:

[redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation]

Happy to discuss,

[redacted – s.38 -personal information]

[redacted] | Head of Governance and Policy | Scottish National Investment Bank

Waverley Gate, 2-4 Waterloo Place, Edinburgh. EH1 3EG | Tel: [redacted] | Mob[redacted]

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From: [redacted]@gov.scot>

Sent: 05 August 2019 15:28

To: [redacted]@gov.scot>

Subject: NCA - Ethical Statement Research Project

Hi [redacted]

I'm contacting you regarding your request to dispense with competition and award a contract directly to Ethical Finance Hub at a value of £45'000 for a duration of 2 months.

[redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation]

I hope these questions are clear but please do not hesitate to give me a call if you're wanting further clarification.

Kind regards,

[redacted]

[redacted]

Procurement and Commercial Policy & Strategy Division / **Scottish Procurement** /
The Scottish Government

[\[redacted\] Extension](#)

www.scotland.gov.uk/procurement



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From: [redacted]@gov.scot
Sent: Monday, August 12, 2019 10:30 AM
To: [redacted]@gov.scot>
Cc: [redacted]@gov.scot>; [redacted]@gov.scot>
Subject: RE: State Aid

Hi [redacted]

Thank you again for your help on this, you've made the issue of State Aid a lot clearer for me!

Kind regards,

[redacted]

From: [redacted]@gov.scot>
Sent: 09 August 2019 12:19
To: [redacted]@gov.scot>
Cc: [redacted]@gov.scot[redacted]@gov.scot>
Subject: RE: State Aid

Hi [redacted],

[redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation]

I suppose my only concern would be if this could be picked up at audit because a contract had been initiated rather than a straightforward grant (?)

Hope this is helpful and let me know if you need anything else.

Regards

[redacted]

[redacted]

From: [redacted]@gov.scot>
Sent: 09 August 2019 09:31
To: [redacted]@gov.scot>
Subject: State Aid

Hi [redacted]

Thank you for your time on the phone.

[redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation]

Let me know what your thoughts on this are and if you require any additional information.

Thanks again for your help with this!

Kind regards,

[redacted]

[redacted]

Procurement and Commercial Policy & Strategy Division / **Scottish Procurement** /
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are not and shall not be held responsible for anything done or not done by you as a result of comments in this e-mail.

From: [redacted]@gov.scot
Sent: Tuesday, August 13, 2019 10:56 AM
To: [redacted]@gov.scot>
Cc: [redacted]@gov.scot>
Subject: NCA - Ethical Statement Research Project - APPROVAL

Dear [redacted]

I refer to your request to dispense with competition and award a contract directly to The Ethical Finance Hub (contract title *Ethical Statement Research Project*) at a value of £45,000 for 2 months.

[redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation]

Happy to discuss this further.

Kind regards,

[redacted]

[redacted]

Procurement and Commercial Policy & Strategy Division / **Scottish Procurement** /
The Scottish Government

[redacted] Extension
www.scotland.gov.uk/procurement



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From: [redacted]@gov.scot>
Sent: Tuesday, July 30, 2019 8:53 AM
To: NCA Procurement <NCAProcurement@gov.scot>
Subject: FW: [NCA] Non Competitive Action Request

Please see attachment.

Many thanks

[redacted]

<redacted

Directorate Business and Communications Team

Scottish Procurement

The Scottish Government – 7th floor, Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

Tel: [redacted]

Web: www.gov.scot

www.gov.scot/procurement

@ScotProcurement



From: [redacted]@gov.scot>
Sent: 26 July 2019 13:06
To: Scottish Procurement <Scottishprocurement@gov.scot>
Cc: [redacted]@gov.scot>
Subject: [NCA] Non Competitive Action Request

Please find attached a Non-Competitive Action Application form

[redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation]

Thanks

[redacted]

Resourcing Officer

Scottish National Investment Bank

Waverley Gate/ 2-4 Waterloo Place/ Edinburgh/ EH1 3EG

Tel: [redacted] /

[redacted]@gov.scot

From: [redacted]@gov.scot>

Sent: Friday, August 2, 2019 10:06 AM

To: [redacted]@gov.scot>

Subject: RE: NCA - Ethical Statement Research Project

[redacted],

As requested.

[redacted]

[redacted] Head of Governance and Policy | Scottish National Investment Bank

Waverley Gate, 2-4 Waterloo Place, Edinburgh. EH1 3EG | Tel: [redacted] | Mob[redacted]

Want to know more about the Bank? Read about it on our [website](#)

From: [redacted]@gov.scot>

Sent: 02 August 2019 08:44

To: [redacted]@gov.scot>

Subject: NCA - Ethical Statement Research Project

Good morning [redacted]

I just tried to give you a call regarding your NCA application. Are you able to give me a ring back at some point today?

Many thanks,

[redacted]

[redacted]

Procurement and Commercial Policy & Strategy Division / **Scottish Procurement** /
The Scottish Government

[redacted] Extension

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Scope of Contract

The contract is to provide support to the Scottish National Investment Bank Directorate as it develops the new Bank. Specifically, the Ethical Finance Hub is to provide a review of existing and potential approaches to ethical statements. This will inform the development of the ethical statements adopted by the new Scottish National Investment Bank.

The process will consist of 7 steps:

Taxonomy

Contextual Understanding

Leadership Review

Landscape Mapping
Horizontal Benchmarking
Proposed Approaches
Implementation Guidance

Justification for NCA

The Ethical Finance Hub was created with the support of the Scottish Government to provide a central hub for the provision of advice on ethical finance. There are no other organisations providing this kind of advice in the Scottish financial sector. It is currently funded by the Scottish Government, but the creation was supported by a range of other stakeholders who recognised the need for an organisation to fill this role.

Additionally, there are time pressures on the specific contract following Stage 1 of the Bill to create the Bank, as the committee requested that additional advice on the ethical statements was provided as soon as possible, and the Ethical Finance Hub exists to provide this kind of advice.

From: [redacted]@gov.scot
Sent: Monday, August 12, 2019 11:14 AM
To: [redacted]@gov.scot>
Subject: RE: NCA - The Ethical Finance Hub - Recommendation

<redacted-s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation].

No problem.

Here is a copy of the NCA application as well as a word doc version (I was having some problems viewing the full application on the spreadsheet).

[redacted]

From[redacted]@gov.scot>
Sent: 12 August 2019 11:08
To: [redacted]@gov.scot>
Subject: RE: NCA - The Ethical Finance Hub - Recommendation

Hi [redacted], thanks for this – could you send over the application as well please.

[redacted]

From: [redacted]@gov.scot>

Sent: 12 August 2019 11:07

To: [redacted]@gov.scot>

Subject: NCA - The Ethical Finance Hub - Recommendation

Hi [redacted]

I'm currently reviewing an NCA application for The Ethical Finance Hub.

VALUE

£45,000

DURATION

2 months

SCOPE

This contract is to provide support to the Scottish National Investment Bank directorate (SNIB) as they develop a new bank. More specifically The Ethical Finance Hub is to provide a review of existing and potential approaches to ethical statements. This will inform the development of the ethical statements adopted by the new Scottish National Investment Bank.

Following Stage 1 of the Bill to create the bank the committee requested that additional advice on the ethical statements is provided as soon as possible. This contract with The Ethical Finance Hub will provide this advice.

RECOMMENDATION

The customer, [redacted], has noted that The Ethical Finance Hub was created to provide a central hub for the provision of advice on ethical finance and therefore they are the only organisation that can offer this service. [redacted s30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation].

I feel it is worth noting that The Ethical Finance Hub was created with the support of the Scottish Government and is currently funded by the Scottish Government and as such issues of State Aid may need to be considered. However advice from <redacted> (Senior State Aid Analyst) confirms that it is reasonable to take a no State Aid stance as;

- There are no other single businesses which provide this service on the market, and;
- That this intervention is unlikely to affect trade between Member States.

Finally the customer has noted that not having this statement provided for the incoming senior management team of the bank during the parliamentary passage of the Bill would be embarrassing.

On the basis of the information provided, as well as the unregulated value and short duration of this contract, I am recommending approval of this NCA application.

Happy to discuss further.

Kind regards,

[redacted]

[redacted]

Procurement and Commercial Policy & Strategy Division / **Scottish Procurement** /
The Scottish Government

[\[redacted\]](#) Extension

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From: **[redacted]**@gov.scot>

Sent: Friday, August 9, 2019 2:40 PM

To: **[redacted]**@gov.scot>

Subject: RE: NCA - Ethical Statement Research Project

[redacted],

Thanks for your email, for the sake of completeness we are certain that only the ethical finance hub can offer this service.

Kind regards,

[redacted]

[redacted] | Head of Governance and Policy | Scottish National Investment Bank

Waverley Gate, 2-4 Waterloo Place, Edinburgh. EH1 3EG | Tel: [redacted] | Mob[redacted]

Want to know more about the Bank? Read about it on our [website](#)

From: [redacted]@gov.scot>

Sent: 09 August 2019 13:13

To: [redacted]@gov.scot>

Subject: RE: NCA - Ethical Statement Research Project

Hi [redacted]

The justification for this NCA application was that there are no other organisations providing this kind of advice in the Scottish financial sector. Our decision whether to approval an NCA application is based upon information that you provide to us.

[redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation]

Kind regards,

[redacted]

From: [redacted]@gov.scot>
Sent: 08 August 2019 08:53
To: [redacted]@gov.scot>
Subject: RE: NCA - Ethical Statement Research Project

[redacted],

Thanks for your email.

[redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation].

Happy to discuss,

Kind regards,

[redacted]

[redacted]Nicholson WS | **Head of Governance and Policy** | Scottish National Investment Bank

Waverley Gate, 2-4 Waterloo Place, Edinburgh. EH1 3EG | Tel: [redacted] | Mob[redacted]

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From: [redacted]@gov.scot>
Sent: 07 August 2019 15:57
To: [redacted]@gov.scot>
Subject: RE: NCA - Ethical Statement Research Project

Hi [redacted]

[redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation].

Happy to discuss further!

Kind regards,

[redacted]

From: [redacted]@gov.scot>

Sent: 07 August 2019 09:47

To: [redacted]@gov.scot>

Subject: RE: NCA - Ethical Statement Research Project

Hi [redacted],

Thanks for your follow up, my responses in blue.

[redacted]

[redacted] | Head of Governance and Policy | Scottish National Investment Bank

Waverley Gate, 2-4 Waterloo Place, Edinburgh. EH1 3EG | Tel: [redacted] | Mob[redacted]

Want to know more about the Bank? Read about it on our [website](#)

From: [redacted]@gov.scot>

Sent: 07 August 2019 09:24

To: [redacted]@gov.scot>

Subject: RE: NCA - Ethical Statement Research Project

Hi [redacted]

Thanks for your responses to my questions.

I have replied to some of your comments and asked a couple of additional questions. These points are in the red text.

Kind regards,

[redacted]

From: [redacted]@gov.scot>

Sent: 06 August 2019 15:37

To: [redacted]@gov.scot>

Subject: RE: NCA - Ethical Statement Research Project

Hi [redacted],

Thanks for your email, taking your questions in turn:

[redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation].

Hope this helps,

Happy to discuss,

[redacted]

[redacted] | Head of Governance and Policy | Scottish National Investment Bank

Waverley Gate, 2-4 Waterloo Place, Edinburgh. EH1 3EG | Tel: [redacted] | Mob[redacted]

Want to know more about the Bank? Read about it on our [website](#)

From: [redacted]@gov.scot>
Sent: 05 August 2019 15:28
To: [redacted]@gov.scot>
Subject: NCA - Ethical Statement Research Project

Hi [redacted]

I'm contacting you regarding your request to dispense with competition and award a contract directly to Ethical Finance Hub at a value of £45'000 for a duration of 2 months.

In order to award a contract without competition there are certain tests and considerations which need to be satisfied. In order to help reach a decision as quickly as possible are you able to answer the following questions.

- You mention in your application that the Ethical Finance Hub was created with support of Scottish Government. In your opinion, do you believe there are any potential issues with State Aid? Have you sought any legal advice?
- In your application you note that there are no other organisations providing this kind of advice in the Scottish financial sector. How confident are you of this statement? What have you done to test the market? How recently have you tested the market?
- Are there suppliers who can provide a suitable alternative to the service provided by the Ethical Finance Hub?
- In your opinion, what is the likelihood of challenge from another supplier who believes that they were denied the chance to bid for this service?
- You mention that there are time pressures associated with this due to the fact that the Bill committee has requested additional advice. Can you detail what, if any, are the negative affects which SG may experience if this NCA is not approved?

I hope these questions are clear but please do not hesitate to give me a call if you're wanting further clarification.

Kind regards,

[redacted]

Procurement and Commercial Policy & Strategy Division / **Scottish Procurement** /
The Scottish Government

[redacted]Extension [redacted]
www.scotland.gov.uk/procurement



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From (<redacted@gov.scot
Sent: Monday, August 12, 2019 10:30 AM
To: [redacted]@gov.scot>
Cc: [redacted]@gov.scot>; [redacted]@gov.scot>
Subject: RE: State Aid

Hi [redacted]

Thank you again for your help on this, you've made the issue of State Aid a lot clearer for me!

Kind regards,

[redacted]

From: [redacted]@gov.scot>
Sent: 09 August 2019 12:19
To: [redacted]@gov.scot>
Cc: [redacted]@gov.scot>; [redacted]@gov.scot>
Subject: RE: State Aid

Hi [redacted],

In terms of State aid we would apply the four tests below. If 'no' can be answered to any one of the questions then the risk of State aid should be low.

	The four state aid tests
Test 1	There has been an intervention by the State or through State resources which can take a variety of forms (e.g. grants, interest and tax reliefs, guarantees, government holdings of all or part of a company, or providing goods and services on preferential terms, etc.). YES - contract
Test 2	The intervention gives the recipient an advantage on a selective basis, for example to specific companies or industry sectors, or to companies located in specific regions. YES – the Hub has been singled out for this contract
Test 3	Competition has been or may be distorted. NO – assuming we take the position that no other single business provides these services on the market.
Test 4	The intervention is likely to affect trade between Member States. NO - assuming the Hub is unique in its ability to deliver these services.

There are lots of instances where funding grants rather than contracts are awarded to organisation in order to carry out a function of government – and a 'no aid' position is taken on the basis that no other provider exists that could deliver the services (test 3 is failed).

It can only ever be done on a risk based position but I would think it is reasonable to take a no State aid stance if tests 3 & 4 are unlikely to be met.

[redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation].

Hope this is helpful and let me know if you need anything else.

Regards

[redacted – s.38 -personal information]

[redacted]@gov.scot Tel: [redacted]

From: [redacted]@gov.scot>
Sent: 09 August 2019 09:31
To: [redacted]@gov.scot>
Subject: State Aid

Hi [redacted]

Thank you for your time on the phone.

As a follow up to our conversation regarding State Aid and procurement, we currently have an NCA application to award a contract directly to The Ethical Finance Hub (NCA stands for Non Competitive Action, this is when we can award a contract directly to a supplier without having to go to competition).

The issue lies with the fact that The Ethical Finance Hub was created with support from the Scottish Government and now we are looking to award a contract to them directly without having to go to competition. The contract in question is valued at £45,000.

My concern is that (and correct me if I'm wrong) awarding a contract without going to competition to an organisation which we helped to create may, in some way, involve issues of State Aid.

Let me know what your thoughts on this are and if you require any additional information.

Thanks again for your help with this!

Kind regards,

[redacted]

[redacted]

Procurement and Commercial Policy & Strategy Division / **Scottish Procurement** /
The Scottish Government

[redacted]Extension [redacted]
www.scotland.gov.uk/procurement



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From: [redacted]@gov.scot>
Sent: Tuesday, August 13, 2019 10:17 AM
To: [redacted]@gov.scot>
Subject: RE: NCA - The Ethical Finance Hub - Recommendation

Hi [redacted]

Given the low value of this, and the importance of it to the creation of SNIB, I am prepared to authorise this NCA.

The customers should note, however, that they should not take from this an indication that future applications will be approved – I am assuming market research was done at the time the Hub was set up which established that competition was absent, but the further we get from that point in time, the more important it will be to test that again, including by holding a competition.

Thanks

[redacted]

Policy Manager | **Scottish Procurement**
The Scottish Government Tel: (0141 24) [redacted]

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From: [redacted]@gov.scot>
Sent: 12 August 2019 11:14
To: [redacted]@gov.scot>
Subject: RE: NCA - The Ethical Finance Hub - Recommendation

No problem.

Here is a copy of the NCA application as well as a word doc version (I was having some problems viewing the full application on the spreadsheet).

[redacted]

From: [redacted]@gov.scot>
Sent: 12 August 2019 11:08
To: [redacted]@gov.scot>
Subject: RE: NCA - The Ethical Finance Hub - Recommendation

Hi [redacted], thanks for this – could you send over the application as well please.

[redacted]

From: [redacted]@gov.scot>
Sent: 12 August 2019 11:07
To: [redacted]@gov.scot>
Subject: NCA - The Ethical Finance Hub - Recommendation

Hi [redacted]

I'm currently reviewing an NCA application for The Ethical Finance Hub.

VALUE

£45,000

DURATION

2 months

SCOPE

This contract is to provide support to the Scottish National Investment Bank directorate (SNIB) as they develop a new bank. More specifically The Ethical Finance Hub is to provide a review of existing and potential approaches to ethical statements. This will inform the development of the ethical statements adopted by the new Scottish National Investment Bank.

Following Stage 1 of the Bill to create the bank the committee requested that additional advice on the ethical statements is provided as soon as possible. This contract with The Ethical Finance Hub will provide this advice.

RECOMMENDATION

The customer, [redacted] has noted that The Ethical Finance Hub was created to provide a central hub for the provision of advice on ethical finance and therefore they are the only organisation that can offer this service. [redacted –s.30 (b)(i) and 30 (b)(ii) - Free and frank exchange of views for the purposes of deliberation].

I feel it is worth noting that The Ethical Finance Hub was created with the support of the Scottish Government and is currently funded by the Scottish Government and as such issues of State Aid may need to be considered. However advice from [redacted] (Senior State Aid Analyst) confirms that it is reasonable to take a no State Aid stance as;

- There are no other single businesses which provide this service on the market, and;
- That this intervention is unlikely to affect trade between Member States.

Finally the customer has noted that not having this statement provided for the incoming senior management team of the bank during the parliamentary passage of the Bill would be embarrassing.

On the basis of the information provided, as well as the unregulated value and short duration of this contract, I am recommending approval of this NCA application.

Happy to discuss further.

Kind regards,

[redacted]

[redacted]

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[redacted]Extension[redacted]
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To the extent that this e-mail contains any comment in relation to matters concerning procurement law such comments do not constitute advice to you. The contents of this e-mail are not to be construed as legal advice or a substitute for such advice, which you should obtain from your own legal advisers if required. We are not and shall not be held responsible for anything done or not done by you as a result of comments in this e-mail.

From: redacted])

Sent: Tuesday, August 13, 2019 10:56 AM

To: [redacted]@gov.scot>

Cc: [redacted]@gov.scot>

Subject: NCA - Ethical Statement Research Project - APPROVAL

Dear [redacted]

I refer to your request to dispense with competition and award a contract directly to The Ethical Finance Hub (contract title *Ethical Statement Research Project*) at a value of £45,000 for 2 months.

This Non Competitive Action (NCA) application has been approved on the basis that:

- Competition is absent with only The Ethical Finance Hub able to provide this service.

Any decision to award a contract without competition carries with it a risk of challenge from a company/organisation claiming they could have provided this service had they been given the opportunity to bid. It should therefore be borne in mind that if the decision to contract directly with The Ethical Finance Hub is legally challenged, we have granted this NCA approval based on the information you have provided to us, and therefore Scottish Ministers would have to rely upon your evidence to refute any challenge.

Please note that this approval:

- Cannot guarantee that there will be no challenge to the decision not to go out to competition from a supplier who regards themselves as being denied an opportunity to bid for the contract. I note from your application that The Ethical Finance Hub was set up as there were no organisations providing this kind of advice in the Scottish financial sector at the time. However it should be noted that as the intervening period between now and the establishment of The Ethical Finance Hub grows it will become more important to test the market again, including by holding a competition;
- Does not provide an indication that any future applications will be approved;
- Does not offer a view as to whether the cost payable under the contract represents value for money;
- Is approval to dispense with competition only. The creation of the contractual arrangement between Scottish Ministers and The Ethical Finance Hub will need to be undertaken by someone who is an authorised Delegated Purchaser. If no one in your area holds a letter of Delegated Purchasing Authority, please complete a RPA (Request for Procurement Assistance) form. Please note that there is currently a waiting list for buyers to pick up any RPA work so this should be factor into any timescales for the award of this contract, and;
- Cannot be interpreted as retrospective approval.

Happy to discuss this further.

Kind regards,

[redacted]

[redacted]

Procurement and Commercial Policy & Strategy Division / **Scottish Procurement** /
The Scottish Government

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Ethical P Finance Hub

INVOICE

[redacted]

Head of Governance and Policy Scottish
National Investment Bank
Waverley Gate
2-4 Waterloo Place
Edinburgh

EHI 3EG

ChrisTait

Ethical Finance Hub Edinburgh Business School
Heriot-Watt University, Riccarton Edinburgh EH 14 4AS

Invoice number: EFH_SNIBOOI

Date: 16th December 2019

Description	Total (EGBP)
Provision of Advice on Ethical Statements" per Award Letter dated 10th September 2019	€45,000
Total Payable (EGBP)	€45,000

DUE FOR IMMEDIATE PAYMENT

Payment method:

By bank transfer to:

[redacted] s38

Queries on Invoice:

If you have any queries, please contact [Chris, @ethicalfinancehub.org](mailto:Chris,@ethicalfinancehub.org)

Private & Confidential

Ethical Finance Hub is a not-for-profit organisation registered as a company limited by guarantee registered in Scotland (number SC534526) and having its registered office at School of Social Sciences, Heriot-Watt University, Riccarton, Edinburgh, EH14 4AS