



ALBA | CHRUTHACHAIL

## MINUTES

### Finance and General Purposes Committee Meeting Wednesday 19<sup>th</sup> October 2022, 9.30am – 12noon MS Teams meeting

#### Present:

Elizabeth Partyka (EP)	Chair and Board Member
Malath Abbas (MA)	Board Member
Stephanie Fraser (SF)	Board Member
Patrick Brown (PB)	F&GP Committee Member

#### In Attendance:

Karen Lannigan (KL)	Director HR & Office Services (Secretariate)
Iain Munro (IM)	Chief Executive
Ian Stevenson (IS)	Director Finance
Anne Langley (AL)	Executive Director Operations
Alastair Evans (AE)	Interim Director Strategy (for items 7 & 8)
Gordon Barnes (GB)	Head of Digital (for item 9)
Roseann Clark (RC)	Executive Assistant (Minutes)

<b>1.0</b>	<b>Apologies and Declarations of Interest</b>
1.1	Apologies received from Duncan Hendry, Board Member and David Strachan, Board Member and Observer.  SF updated her registration of interest, who is the Scotland member on the Board of the British Library, in which this has been declared on the DOI form to finance.
<b>2.0</b>	<b>Previous Minutes July 2022</b>

2.1	Minutes from the previous meeting were agreed as an accurate note of the meeting.
2.2	<b>Minutes Pay Review 11 October</b>
2.3	Minutes from the pay review meeting were circulated electronically and final approval given at today's meeting.
<b>3.0</b>	<b>Actions from previous meetings</b>
3.1	Action from the previous meeting is noted as on the agenda today for discussion.
<b>4.0</b>	<b>Committee Annual Review including Terms of Reference Review</b>
4.1	<p>Analysis of the individual self-assessments for the committee annual review 2021/22 was circulated in advance of the meeting including all comments made. The scoring process is a rating system out of 5, in which the committee previously agreed the reference point for requiring improvement was an average rating of 3.5 and below. There were no statements which had an average score of 3.5 and below</p> <p>The committee noted the review and fully discussed all comments made, in which actions were agreed. These will form part of the review update for the next meeting.</p> <p>Following today's meeting a draft annual performance report for this committee will be prepared and circulated to members for comment, noting that once the report is agreed it will be submitted to Board alongside other committee reports.</p>
4.2	<p><u>Terms of Reference Review</u></p> <p>Terms of Reference was noted and discussed. Proposed changes would be prepared and circulated to the committee. The final ToR would be included in the annual performance report papers that would be submitted to the Board.</p>
<b>5.0</b>	<b>Finance</b>
5.1	<p><b><u>Budget Update</u></b></p> <p>IS provided a brief update on budgets noting current position. An update was provided at the 3rd of October Board meeting with another update due to be provided at the 26th of October Board. The in-year position remains as per the 3rd October Board update, pending the Emergency Budget Review outcome in late October, early November.</p> <p>PB suggested that future papers should include a full year forecast. IS explained that this is included by the half year but agreed to look at this for the next meeting. <b>Action IS</b></p>

	<p>PB noted that, as a non-Board member, he had not received the Board update and EP agreed to consider how this could be addressed, discussing with IM and Audit and Risk Chair. <b>Action EP.</b></p> <p>A date of 15<sup>th</sup> December has been set for the Scottish Government's budget announcement for 2023/24, where an indication of future years projections may also be provided. A pre-Christmas Board meeting to consider this announcement may take place.</p>
5.2	<p><b><u>Management Accounts</u></b></p> <p>IS provided an overview of the August Management Accounts.</p> <p>The ongoing SG review of 2022/23 budgets has resulted in variances in GiA spend and is being closely monitored.</p> <p>The largest area of operational underspend is in salaries due to the later recruitment and the April 2022 pay award having not yet been implemented.</p> <p>Additional Digital costs were highlighted, including developer costs and additional cyber security measures. Also, additional costs will be incurred in the second half of the year due to higher than budgeted costs for a systems implementation.</p> <p>PB suggested adding into the finance report notes explaining over &amp; underspends. <b>Action IS</b></p> <p>Across both offices, energy usage is lower than pre-COVID-19 levels due to homeworking, and the move of digital services to the cloud has seen a reduction in the energy use of onsite servers.</p> <p>Electricity costs for the Edinburgh office are procured via the SG's energy framework contract which has lower rates due to the increased bargaining power, taking advantage of the Scottish Government's spending power. Edinburgh Office gas and electricity for the common areas of the building make up 28% of the service charge and increased costs are being allowed for.</p> <p>Electricity and gas costs for the Glasgow office, are currently included within the all-inclusive rental charge, therefore, there is no direct impact at this location for 2022/23.</p> <p>PB noted that it would be helpful to see full-year projections and their variances to budget. IS responded that these are reported in the second half of the year as teams continue work through their targeted budgets and more detail on outturn is available.</p> <p>National Lottery income is slightly above budget at the half-year point although it was noted that the second half of the year is envisaged to be less favourable due to economic and one-off factors.</p> <p>National Lottery grant spend is slightly behind budget mainly due to the</p>

	budget and operational plan not being signed off by Board until the end of May.
<b>6.0</b>	<b>Estates</b>
6.1	<p><u>Estates and Smarter Working Update</u></p> <p>An update was provided on Smarter Working (SM) As AL is now in post this project work has now begun.</p> <p>A paper was provided setting out the three core objectives of the project which will be delivered over 12 months. The key principles are that Smarter Working is led by organisational need and objectives, while offering flexibility and support to team members in how and where they work.</p> <p>An outline of the plan showed that a Task and Finish Group will deliver the initial activity through to March 2023, after which the remainder of the project will transition into business-as-usual delivery. This initial Task and Finish will deliver three phases of activity up until the end of March 2023.</p> <p>Phase one will be convening the Task and Finish Group and developing an approach, with phase 2 seeing the group develop plans and implement key ideas for each of the smarter working pillars. Phase 3 will conclude the initial Smarter Working activities and hand over the plans for future action to business as usual by the end of March 2023.</p> <p>Remaining activity will be programmed into the 2023/24 Business Plan and will be taken forward via business as usual or new projects established as necessary.</p> <p>Monitoring, measuring, and testing will happen throughout whilst learning and adapting as we go. Teams will work on their individual team plans for smarter working, to help them to deliver their objectives and the Task &amp; Finish group will also measure when and how offices and different workspaces are being used to make changes and improvements.</p> <p>A comprehensive plan for communications and engagement, including effective feedback mechanisms and channels/tools will be developed by the group.</p> <p>It was noted that no additional budget is sought at this time, noting that short term actions/activities will be managed within existing resources. Areas of opportunities may arise which could result in costs, and savings for Creative Scotland and where this is applicable an appropriate business case will be developed for these.</p> <p>Immediate next steps were noted, regular updates on progress against the plan will be brought to the Committee and have a standard agenda item.</p> <p>EP noted that it was good to see the plan and to have such a helpful update, noting that Board members would be happy to volunteer to be involved should we wish this.</p>

	<p>SF noted her support of the plan and the importance of this being business driven. MA also noted his support of plan in which seeing the timeline was good to note.</p> <p>AL thanked the committee members for their support and noted that as the project proceeds it is likely that we will identify areas that would benefit from the support and involvement of committee members, these will be shared in future updates as they arise.</p> <p>The committee thanked AL for the update.</p> <p>The committee agreed to include an update on smarter working as a regular item on the agenda going forward. The offer was reiterated that board members to be involved, if beneficial and SF offered assistance as a sounding board. <b>Action AL</b></p>
7.0	<b>Corporate Planning</b>
7.1	<p><u>Operational Plan Update</u></p> <p>AE attended for this item and provided an update on the Operational Plan for 2022/23. It was noted that we are now at mid-year point and there are 289 entries in the planning app in which staff were asked to update. Overall, this was completed well.</p> <p>AE &amp; Janice Kelly have been through all the lines and captured 30-40 activities that haven't started or are deferred, noting proposals for dropping projects or pausing are flagged, and noted additional activity around Cashback for Creativity and Awards for All.</p> <p>Progress against the app will go to SLT meeting to be discussed in detail where we will take stock against the Annual Plan Priorities, noting that some EDI and Sustainability activity is not moving forward.</p> <p>With not having a Head of EDI in post as yet, some projects have been slower. It was noted that the Head of EDI will start in December and SLT will pick up discussions around sustainability, noting that this is sitting in the planning app as not yet progressed.</p> <p>Reflecting on progress, working with staff is going well along with the functionality of the app. There is a need to look at speed of how we move forward with staff, and this will also be important for Smarter Working.</p> <p>With regards to GIA freeze, it was noted that this doesn't impact many lines in the App, as most are through Lottery funding, noting that managers have dealt with the pauses and worked with stakeholders carefully on messaging.</p>

	<p>IM noted that he has been holding staff drop-in sessions in which direct conversations with staff have been had, noting wider context, budgets, and possible challenges, which have been very open and trusted.</p> <p>Future timelines and for the 2023/24 Annual Plan were discussed, noting that it is planned to bring the process forward into the early new year.</p> <p>Staff will be asked to complete targeted forms by the end of January, which is earlier than previously, in preparation for publishing the plan early in the financial year.</p>
8.0	<b>Internal Performance Management</b>
8.1	<p><u>Performance Management</u></p> <p>AE attended for this item and provided an update. As noted at the July meeting with regards to the 26 historic KPIs in which it was hoped to move to the 10 new KPIs, that it was disappointing that this did not happen.</p> <p>KPI discussions with Government had paused over the summer but conversations are picking up now around this. It was noted that we have not yet seen the culture strategy performance framework and work around fair work has similarly not pushed on.</p> <p>With regards to qualitative side and how we build our knowledge, the team are working on this, looking at building a framework for research evidence.</p> <p>Equalities monitoring response rates are currently poor, with not enough insight given. Going forward we will make this mandatory, noting that some other organisations are moving to this approach too, which is positive.</p> <p>The monitoring will all be done digitally which will also be a step forward.</p> <p>The committee thanked AE for the helpful update.</p>
9.0	<b>ICT - Digital</b>
9.1	<p><u>Progress Update</u></p> <p>GB attended for this item to provide a progress update with regards to Digital Transformation Team and work to date. The following was noted.</p> <p>A full, Agile team with combined roles in a number of positions is now in place. Front end developer post has been a challenge to recruit. However, an</p>

appointment has now been made this week which therefore fills all current vacancies within the Digital team.

New Finance System update.

Procurement process now complete. First meeting taking place today. Detailed requirements workshops will take place over next two weeks.

The following indicative Timescales have now been confirmed.

Phase 1, end of December 2022, will be a Lift and shift process providing core finance functionality along with staff expenses.

Phase 2, March 2023, which will see the integration with Funding Management System and delivery of the Purchase Order System.

Funding Management System update.

Continuous development of enhanced functionality to the system. Planning for support of RFO supplementary fund, Open Fund for Organisations, and continued support of repeating funds, along with support for Screen funds in FMS also.

Telephony improvements update. Replacement of traditional on-premises telephony system with a 100% cloud-based solution has been rolled out. The usage of familiar Microsoft Teams for all "landline" calls is now in place, noting that colleagues can now access landline calling from wherever they are working.

Cyber Security update. Work on full management of Laptop fleet has now been completed. This will result in increased security of laptops moving forward.

Work to replace the finance system and move to a cloud-based system will improve the security profile of this service.

Risk around energy crisis and what this means for us, regards to systems and black outs. GB noted that all business-critical systems are now cloud-based with the exception of the finance system which is still hosted in the Edinburgh office. Not yet clear if, in the event of controlled blackouts, datacentres hosting cloud-based services will be affected. Further research needed to understand the risks.

MA noted that he would be happy to have a conversation with GB and help where possible with his knowledge of soft wear and technology areas and advocacy.

**Action GB**

	The committee thanked GB for the helpful update.
10.0	<b>HR &amp; Office Services</b>
10.1	<p><u>Health &amp; Safety Report</u></p> <p>The report was read, and the update noted.</p> <p>KL confirmed online training is provided for office working and noted that a reminder will be issued to those staff yet to complete the online training as part of the process for office working and this will also be included in new staff inductions.</p> <p>A reminder of the desk booking and signing in process will also be communicated as in some cases this is not being followed and line managers will be encouraged to ensure teams follow the process. It was noted that these processes would be reviewed as part of smarter working going forward.</p> <p>The committee thanked the Office Manager for a very helpful comprehensive report.</p>
10.2	<p><u>HR Operational Update</u></p> <p>The report was read, and the update noted.</p> <p>The following areas were highlighted and discussed.</p> <p>Mind survey and wellbeing work, which is ongoing, CS participated earlier this year in its first Mind Employee Wellbeing Survey. The survey closed in March, in which 40 respondents took part, which was acknowledged by Mind as a low return rate and has a direct impact on our overall ranking.</p> <p>Mind noted that CS were providing great initiatives and interventions to support employee wellbeing, however, noted that our internal communications and engagement strategy could be stronger to increase employee engagement with initiatives. KL noted that we will work with Communications colleagues on this point to try and promote this work more.</p> <p>Recruitment of the new environmental post of Climate Emergency &amp; Sustainability Lead is progressing with a closing date of next week, noting that so far, no applications have been received. Interviews for this post have been planned for early November. It was noted that should there be no success next steps would be to consider targeted recruitment via an agency.</p> <p>AL highlighted re the current environment, that the role is a short-term role which may have an impact on interest and may need to be reconsidered.</p> <p>SF noted if no applications were received it may be that we consider a service contract option. It was also suggested that a review of the job title may help.</p>



	<p>SF asked with regards to a return to office working if this should still be a voluntary option for staff and noted the importance of considering the business needs.</p> <p>IM noted that communications were issued to all staff, noting that although there is no compulsory return to office working, that staff are expected to be in the office, 40-60% of their time. IM also noted the work of the Smarter Working team which has now been established.</p> <p>The committee thanked KL and the team for the helpful update.</p>
11.0	<b>Any other business</b>
11.1	No other business was discussed.
12.0	<p><b>Dates of next meetings:</b></p> <p><b>8 February 2023</b></p> <p>It was discussed and agreed that although it would be beneficial to meet in person, it has been agreed to hold virtual committee meetings when a meeting is close to a board date, as the board meetings are all in person. It was agreed to hold at least one meeting as an in person meeting next year.</p> <p>IS noted with regards to the 8<sup>th</sup> February 2023 committee meeting, that we may not have full budget sign off and all of the operational planning returns, in place by this date.</p> <p>KL noted that the 8<sup>th</sup> February works well with regards to pay review timelines and asked if the committee would consider exceptional meetings for single items. The committee agreed to hold exceptional meetings if required in between committee meeting dates and that these be held virtually.</p>