Item 2.0

MINUTES

Finance & General Purposes Committee Meeting

8th February 2023, 9.30am – 12noon

TEAMS

Present

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

In Attendance:

Iain Munro (IM)	Chief Executive
Anne Langley (AL)	Executive Director, Operations
Stephen Vallely Allan (SVA)	Finance Manager
Lorna Robertson (LR)	HR Manager
Alastair Evans (AE)	Interim Director Strategy (for items 6 & 7)
Gordon Barnes (GB)	Head of Digital (for item 8)
Roseann Clark (RC)	Minutes

1.0	**Apologies and Declarations of Interest**	
1.1	Apologies received from Karen Lannigan, Director HR & Office Services and Ian Stevenson Director, Finance.	
	EP welcomed David Strachan to the meeting as an official Committee member and Stephen Valley Allan, Finance Manager and Lorna Robertson, HR Manger.	
	There were no declarations of interest noted.	
2.0	**Previous Minutes October 2022**	
2.1	Previous minutes were noted as approved and published.	
3.0	**Actions from previous meetings**	

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3.1	Actions from the previous meeting are noted as on the agenda today for discussion.
3.2	4.2 Appendix 1 - To review ToR to cover inclusion of non-board members, where appropriate and were agreed with IM/RW
3.2.1	EP noted that she has added in two additions in for consideration. 5.4 amend to – *prior to joining the committee, new members and non-board members will take part in an induction process, including meeting with Chair and other key individuals, specified by the Head of HR* 11.3 amend to – *The Chair of the committee will also meet annually with non-board member to discuss performance.* The two amendments were discussed. SF noted her support, particularly for the inclusions of an induction process. DS also welcomed this and noted that he will consider adopting this for Screen Committee. It was agreed to try and ensure consistency across the committee's ToR's. It was agreed that IS & KL would discuss with Chair of Audit & Risk committee. Action: IS, KL.
3.3	4.2 Appendix 2 - Review and approve the draft committee annual report for 21/22 as discussed at the October 22 meeting.
3.3.1	SF noted with regards to 3.1 that as member attendance is noted, board observers and non-board members attendance should also be updated. 4.1 – 4th bullet, add in 'and office opening.' Action: KL The Committee approved the report.
4.0	**Finance**
4.1	Management Accounts SVA provided an update on the management accounts for the 9-month period ending 31 December 2022 for both Creative Scotland (CS) GIA funded accounts and the Creative Scotland National Lottery Distribution Fund (CS NLDF). A revised grant-in-aid letter was received from the Scottish Government in January 2023, in which the letter confirms amendments to the grant-in-aid allocation for 2022/23 for Screen Scotland and the Touring Fund and noting that the final budget allocations for 2022/23 for YMI and Culture Collective are to be determined. SVA provided an overview of the CS and CS NLDF accounts, noting that grant spend variance was mostly due to delays in the Screen Scotland GIA budget

	allocation. Some awards were made in December following a partial unblock of budget allocation in that month, with the remainder now available to distribute at the revised allocation per the January GIA letter.
	The underspend in operating expenses was discussed, noting the salaries underspend has narrowed following the implementation of the April 2022 pay award in December 2022. An overspend is currently recorded in Digital Transformation and ICT budget to account for the new finance system, although this will reduce once the allocation of work across 2022/23 and 2023/24 financial years is determined.
	The projections for CS and CS NLDF were discussed. The current underspend in the CS GIA accounts is due to writeback in the CMI RFO award, and IM confirmed that plans are now in place to allocate these funds back to Film Festival and cinema provision in Edinburgh and Aberdeen as agreed at a previous CS Board meeting. Projections for the CS NLDF were not updated from the previous meeting, as data on outturn for targeted awards was due following the 31 January 2023 deadline for submission.
	The committee noted the update and appreciated the increased projection information provided in the management accounts.
4.2	Budget Update
	AL provided an update, setting out the position for finalising and approving the 2023/24 budget. Budget planning for 2023/24 has commenced following completion of the operational planning app by directorates. The entries within the app for 2023/24 are currently being reviewed by SLT, with further activity taking place in February to populate the detailed plan.
	The Committee's next meeting on 15th March 2023 will discuss the outcomes of the process on the 2023/24 budget.
	It was noted that it was likely that the Scottish Government will continue with the spend approval process used in 2022/23, noting the potential for delay in certain programmes due to this.
	PB noted budget pressures, and asked whether there might be any challenging come back. SV updated that he has done some analysis on what future pressures might be, looking at the potential impact of the pay award for 2023/24 and other items such as energy costs and estate costs.
	It was noted that £100,000 of additional funding for the consolidated impact of the 2022/23 pay award has been secured.
	The RFO process for 2023/24 was also discussed, noting that contracts are due to be distributed in early March for the first payments to be made in April.
	The committee noted the update.
5.0	**Estates**

5.1	Smarter Working Update	
5.2	AL provided an update with an overview of the Smarter Working plan and objectives, noting the update covers activity since October across the smarter working pillars – Place and Space, People and Policies, Tech and Tools and Project Management. Progress has been made in updating workspaces, provision of new tech and tools and in the roll out of Team Smarter Working Charters. A staff survey and the information contained in Team Charters will inform the next steps for the project.	
	SF thanked AL for producing such a great update and highlighted her surprise at the low number of staff using the offices. SF also noted the new layout of the Lighthouse office, which looks good, however the intelligence that the committee have been presented with, indicates that there are a substantial number of staff who, it seems, do not wish to return to the office no matter what changes are put in place.	
	EP noted the number of staff using the office and asked when we plan to lift the voluntary way of staff working re office usage.	
	AL highlighted that the process is work-led so that teams can select the best workspace for the task. The Team Charters are now in place for each team and these set out the work of the team and the range of workplaces and tools required to do the work. The new Estates Strategy will take account of these emerging working practices to ensure the Creative Scotland estate is aligned with the emerging Smarter Working approaches.	
	AL noted that the Smarter Working progress will be a standing item on the agenda as things continue to develop.	
	The committee thanked AL for a good update and progress made.	
6.0	**Corporate Planning**	
6.1	Operational Plan Update	
	AE provided an update in which it was noted that the development Annual Plan is on track and in a good position for the F&GP planning discussions on 15th March. AE noted that having the new timeline put in place this year has been helpful in gathering proposed activity from staff in a timely way.	
	It was agreed that the outputs will be discussed and agreed at the March meeting and the recommendations will then go to Board on 30th March.	
	AE noted that in previous years it has not been possible to publish the Annual Plan until Summer, but we hope to publish in April this year.	
	Close working with teams internally and planning sessions with SLT have been both beneficial and provided good challenge, with a good outcome to date.	
	The committee thanked AE for the helpful update ahead of the March meeting.	

7.0	**Internal Performance Management**	
7.1	Key Performance Indicators AE noted that there has been some modest movement within this piece of work, noting it was helpful for the committee to see sight of the KPI Framework before sign off. Scottish Government now have all the relevant information that sits alongside our KPIs, including more quantitative research work (reflecting that not all KPIs have quantitative measures). Colour coding has been used as a request from Scottish Government in December 2022, to note likely direction of travel. EP noted the great work which AE has done and reflected on previous conversations, in providing ten KPIs which capture our activity. SF echoed this and noted CS has been operating effectively in some challenging times. PB noted the fantastic work that has been provided, highlighting the KPI on new applicants and partner income (KPIs 3 & 10), giving a good mix of inputs and outcome driven KPIs, noting that a RAG rating system is being used to measure outcomes. Conversations are taking place internally around KPIs and our approach noting which ones are being delivered on and which aren't. A rag dial is being used to indicate each position status, noting considerations around any cuts which will see a decline within some KPIs development. With regards to wider policy, conversations have taken place with Scottish Government colleagues noting our interest in Health & Wellbeing, which sits within our research strategy. We are also considering research work around child poverty, fair work and sustainability. EP asked how KPIs were being cascaded through the organisation.AE updated that the team have been working with digital colleagues ensuring that there is an efficient digital system, tools and mechanisms, in place for all to use. It was noted that staff sessions would be held to ensure KPIs are embedded into the organisation with a clear understanding for all. The committee thanked AE for producing a good piece of work.	
8.0	**ICT – Digital**	
8.1	Progress Update – including Finance System GB provided an update on the following areas of work: Finance System, Funding Management System, Smarter Working and Cyber Security.	

		Finance system, development work is in advanced stage, in depth training for both Finance and Digital teams have been completed. Data migration work is in advanced state with a dress rehearsal to be undertaken shortly.
		User Acceptance testing is due to commence in early February, with any fixes/changes to follow shortly thereafter, with a Go-live for phase one system in May 2023.
		Funding Management system has continued development of enhanced functionality for applicants, which will see improved editing, company information and automatic lookup of contact details for charitable applicants.
		Final development work is in place to deliver a number of major funds, including technical approach to FMS and Finance integration and upgrading of underlying system technology to be able to support future work.
		Useful feedback for Digital team has been received from the all-staff survey, which was shared in the earlier Smarter Working item. This has led to the roll out of Miro training, and plans for a technology refresh in meeting rooms.
		In Cyber security, upgrades continue to be carried out to ensure improved security, noting rollout of Multi Factor Authentication to Board members and annual penetration testing of public-facing services.
		Commencement of wider internal Cyber Security project to formally plan a programme of ongoing Cyber-specific work over the next year and beyond.
		EP noted the digital transformation plan, and asked when this would flow into a future digital strategy. GB updated that he is looking at next steps and will continue to provide updates to the committee.
		The committee thanked GB for the helpful update.
9.0	**HR & Office Services**	
9.1	Health & Safety Report The report was taken as read with no further discussion needed. EP thanked Office Manager, Anne McFadden for producing such a comprehensive report.	
9.2	HR Operational Update HR Manager, Lorna Robertson (LR) attended in place of KL. It was noted the good job that LR has been doing in the absence of KL. LR provided an update noting that a PCS strike had taken place, but this had very little impact on the organisation on that date. An update on recruitment was provided, noting the team are also dealing with some tenders going through due process.	

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	PDRs end of year meetings/paperwork is slightly behind this year, and reminders have been issued for all staff to complete by end of February 2023. Wellbeing was noted, confirming that a stand will be available at the All Staff meeting in a couple of weeks, with various bits of material available, along with staff being able to sign up to become a Mental Health First Aider. It was agreed that it would be beneficial for the new EDI officer to attend the April committee meeting. An update on how they are settling in and what the EDI priorities are, including providing a training proposal and set of recommendations, which could then be shared with the Board. It was agreed that an extra meeting could be held if required, to discuss Pay review, costings and guidelines. LR to speak with KL. The committee thanked LR for the very helpful update.
10.0	**Any other business**
10.1	There was no other business to discuss.
11.0	**Dates of next meetings:** **15th March 2023 (additional meeting)** **19th April 2023** **5th July 2023** **1st Nov 2023** **7th Feb 2024**

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