

## MINUTES

### Finance and General Purposes Committee 5 July 2023 9.30am – 12 midday Hybrid meeting

#### Present:

Elizabeth Partyka (EP)	Chair and 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
Karen Lannigan (KL)	Director, HR & Office Services (Secretariat)
Ian Stevenson (IS)	Director, Finance
Clive Gillman (CG)	Director, Creative Industries (for item 5.3)
Anne McFadden (AM)	Office Services Manager (for items 6.1 and 10.3)
Kim Simpson (KS)	Head of Equalities, Diversity and Inclusion (for item 7.1)
Karen Ridgewell (KR)	Climate Emergency & Sustainability Lead (for item 7.2)
Sarah McAdam (SM)	TTS Programme Manager (for item 7.3)
Alastair Evans (AE)	Interim Director, Strategy (for item 8.1)
Gordon Barnes (GB)	Head of Digital (for item 9.1)
Lyndon Jones (LJ)	Minutes
Jade Rothery (JR)	Minutes

#### Apologies:

Ann Langley (AL)	Executive Director, Operations
Malath Abbas (MA)	Board Member

<b>1.</b>	<b>Apologies and Declarations of Interest</b>
	Apologies were received from Malath Abbas and Anne Langley. No Declarations of Interest were noted.
<b>2.</b>	<b>Previous Minutes April 2023</b>

	Minutes from the previous meeting were noted as approved and ready to publish.
<b>3.</b>	<b>Actions from previous meeting</b>
	<p>Actions from the previous meeting were noted as actioned;</p> <ul style="list-style-type: none"> <li>• The Head of EDI, Kim Simpson will be joining today's meeting for a progress update.</li> <li>• A Review of the Committees Terms of Reference is on today's agenda.</li> </ul>
<b>4.</b>	<b>Committee Annual Review and Terms of Reference</b>
	<p>The committee discussed and reviewed the Terms of Reference (TOR), to ensure consistency across all of the committee's ToR's. The current tracked changes to the document were discussed and agreed.</p> <p>IS confirmed that the agreed, revised wording for items 4.4.1 &amp; 5.5 within the TOR document will also be included in the Audit &amp; Risk TOR's, when reviewed in the August or November meeting.</p> <p>Item 7.1.1 in the TOR document was discussed. The Committee agreed the inclusion of the Executive Director, Operations role. KL to refine the wording of this item.</p> <p>Item 11.3 was discussed. It was noted that Non board members are a temporary situation which is being resolved through Scottish Government appointments. However, it was agreed as non-board members are referenced within the TORs this item should remain, but the current wording should be adjusted. IS confirmed this will also be included in the Audit and Risk TORs.</p>
<b>5.</b>	<b>Finance</b>
5.1	<p>Management Accounts</p> <p>The focus on the first two months of the finance year was on the implementation and familiarisation of the new finance system. The team are also preparing the annual accounts, which will be drafted by the end of July. Work in profiling is well underway based on information provided through the planning app and planned funding timelines. It was noted that some items are harder to anticipate due to the flow of applications, such as through Screen Scotland. Overall, budgets are currently on track. Some of the variances are due to corrections needed in the accruals, and a write back of a grant where the project supported has not been completed.</p> <p>National Lottery income on budget, again the current surplus is due to some projects in targeted spend have not started and work on the Open Fund budget is currently being reviewed to accommodate high demand levels and success rates.</p> <p>A request for early forecasts and year end outturns will be discussed outwith the meeting between PB and IS with a view to them being included in future papers. Action: IS</p>

5.2	<p><b>Budget Updates</b></p> <p>Building on the update presented at the May Board meeting, the Committee were appraised of the current budget position with the potential of the remaining budget still awaiting the Autumn budget review. As the focus on the budget is high, a working group of colleagues from Scottish Government Sponsor Group, Finance and Creative Scotland are coming together to discuss the conditions provided by Scottish Government on the release of funds and also to consider reform and efficiency. The first meeting will take place on Monday 10 July. There is also a meeting scheduled to discuss the 23/24 Pay review. Read outs of the meeting will come back to the Committee and Board.</p> <p>It was asked if a paper could be provided to the July Board meeting explaining what would happen if funds are not released and what Creative Scotland is doing to mitigate this. Action IS</p>
5.3	<p><b>Multi Year Funding Guidance</b> CG joined for this item.</p> <p>It was noted that the Board Sub Group will meet and further discuss the current draft of funding guidance following this meeting. It was clarified this item will be used for additional feedback from members. F&amp;GP comments will be reported to the sub group and amalgamated.</p> <p>Questions and comments were received on the guidance. It was confirmed that the repetition used was deliberate, to ensure there is no ambiguity and the content was clear to the reader. Creative Scotland's approach to health checks was discussed. It was acknowledged that assessing the health of an organisation is a large task that requires resources which does present a challenge on capacity. The understanding and relationships Creative Scotland staff have of the sectors they support, and the updating of the process used through the previous rounds of RFO awards, will aid this task. It was suggested to include the definition of the 'Asset Lock' in the guidance. The turn around period for the Intention to Apply was raised and questioned as considered tight. However, it was felt that this was a manageable timescale for organisations as it has been publicised widely and discussed in the external engagement sessions, and this initial request is for the organisation to register its interest. This will help with managing the demand. CG confirmed Creative Scotland will not have a process for appealing against decisions, as this would restrict the flow of funding as money would need to be held back. It was highlighted that organisations can follow the complaints process, if they feel that the correct process has not been followed. CG will pick up further comments.</p> <p>The final draft will be presented at the Board meeting on the 20 July.</p>
<b>6.</b>	<b>Estates</b>
6.1	<p><b>Estates Strategy and Smarter Working</b> AM joined for this agenda item.</p> <p>The paper provided the committee with an update to the progress made on the Estates Strategy. The key point to highlight was that as there had been no follow up from the Scottish Government's Property division regarding engagement of a property agent, it was now felt that the scheduled meeting</p>

	<p>on the 28<sup>th</sup> of August will be too soon for the Committee to be discussing options and final proposal to be presented to the Board. It was suggested that a fuller paper be brought to the November meeting, which would allow for the final proposal to be presented to the Board at their meeting at the end of November. This timeline allowed sufficient time before lease end dates and to enter into negotiations with landlords. It was highlighted that many organisations are looking to review their Estates Strategy. Creative Scotland will aim to schedule a meeting with other organisations in a similar position to discuss co-sharing opportunities.</p> <p>AM was thanked for her update and it was agreed that the diary hold of 28 August was to be released.</p>
<b>7.</b>	<b>Corporate Planning</b>
7.1	<p>EDI Progress update  KS presented slides which were circulated to the group post meeting. KS shared her experience of the last 7 months in the role, this included her onboarding into the organisation. KS highlighted the positive will and resources present within the organisation, but the need for clear processes and accountability across teams and directorates needs to be further advanced.</p> <p>A progress plan and update of the work within the EDI team was shared. This included stabilising the team, establishing a work planning process to support our activity and delivering the operational plan including major partnerships. Re-connecting with and clarifying next steps for the EDI external Advisory Group and EDI Working group. Generating next steps of how the team support and work alongside funding in general, including Multi Year.</p> <p>Challenges of the tasks being faced in this area were acknowledged by the committee. It was asked if there was an order and approach to how the internal process and the external influence would be achieved. It was noted that the development of the Multi Year funding, and the role of the team was to share best practice and spotlight where organisations are doing well, so we can learn from their approaches. KS highlighted the end of the two year membership of the EDI External Advisory Group, the group have been asked to reapply as their different level of lived experiences was beneficial. An update on our current position with Stonewall was raised. It was noted that Creative Scotland is currently part of the WorkPlace Equality Index and Champions network, but further consideration is needed to ensure this is best use of resources, and that wider networks/organisations should also be considered. Early positioning on Trans inclusion, whilst protecting women’s rights, was highlighted as an area where CS may be vulnerable to political and reputational risks.</p> <p>KS was thanked for her update. KL and KS to agree a timeline to return to the committee with an update on progress. SF also offered assistance with conversations going forward. ACTION: KL and KS</p>
7.2	<p>Climate Emergency and Sustainability progress  KR joined for this agenda item and gave a general update. KR highlighted the focus for the coming year, which is to better understand the impact of our organisational travel, the largest emitter of greenhouse gases and to collect data to support decision making in the future and the development of an</p>

	<p>updated transport policy. This, alongside supporting staff on the development of the Multi Year and Open funding criteria and day to day requests from colleagues. Progress so far was noted as positive.</p> <p>The Senior Leadership Team have agreed for a shift in the greenhouse gas emissions boundary for the organisation, which would allow for the development of emissions reduction pathways, including transport, this time next year. Further understanding around our total emissions and our plan to inset residual emissions, including financial planning is needed. KR highlighted her secondment ends at Christmas 2024 but has been clear on attainable achievements. Transparency on plans internally and externally is of great importance.</p> <p>PB noted the importance of being Climate conscious of the organisations and their policies, we are funding and the environmental impact they have using CS funding. KR confirmed this is part of the support she is providing on MY funding and the Environmental strategic priority. Creative Carbon Scotland deliver the RFO environmental survey on our behalf and we have data on such issues. We do have accountability for scrutinising the environmental impact of the organisations we fund. Learning for this is ongoing. SF highlighted the scale of this work both internally and externally and requested an update on forward planning.</p> <p>The committee thanked KR for the paper and for joining today's meeting. The committee agreed for KR to return to F&amp;GP for a further update. Action: KL and KR</p>
7.3	<p>UNCRC Report SM joined for this agenda item.</p> <p>SM gave a general update of the status of this report. It was noted that Senior Leadership Team feedback from the June 26<sup>th</sup> meeting has been received and built into this version of the report. SLT feedback included incorporating explicit connections between Scottish Government policy around child poverty, opportunities to make connections to engagement criteria, highlighting prioritises of supporting children and young people facing engagement barriers. PB provided feedback for consideration;</p> <ul style="list-style-type: none"> <li>• More statistics on our level of youth engagement would be preferable.</li> <li>• Can we include quotes from youth we work with? Can we say any more on how youth shape our policy?</li> <li>• Poverty reduction references - are we able to point more on how we break down the inequal access to the arts and how we break that down in areas of deprivation?</li> </ul> <p>SM confirmed the feedback will be incorporated with a request for SM to circulate a final version with the agreed additions for final approval. It was agreed the final document will be approved out with this meeting via email.</p> <p>Action: SM</p>
<b>8.</b>	<b>Internal Performance Management</b>
8.1	AE joined for this agenda item.

	<p>AE joined for this agenda item. AE noted that the Annual Plan has been published on the CS website. Annual plan information, including budgets has been cascaded to Directorates and is reflected in the Planning App. The next milestone will be looking at the mid-year picture with SLT to understand progress and spend.</p> <p>AE confirmed that the 2012-22 Annual Review, including the new KPIs, has been published.</p> <p>Colleagues in the Knowledge and Research team are currently working on the implementation of the Monitoring and Evaluation Framework. The team have been working with a developer to build new digital monitoring forms, including for Targeted funds and Equalities Monitoring forms. This work is slower than anticipated and some manual analysis will be needed on the data, in order to report in next year’s Annual Review.</p> <p>AE was thanked for this update</p>
<p><b>9.</b></p>	<p><b>ICT – Digital</b></p>
<p>9.1</p>	<p>GB provided an update, confirming the Finance system and the new Expenses system had been delivered. It was noted that the Finance team have been using the new system well. The Digital team are now in phase two of the integration between our Funding Management System and the finance system. This phase was noted as taking longer due to prioritisation of Multi Year delivery.</p> <p>Foundation work was highlighted as an ongoing project. This will ensure correct security levels are being used and ongoing effective functionality. The team are moving from transformation to business as usual.</p> <p>Multi Year development was noted as a priority with the team creating the foundations for this, which includes 3 separate Digital forms that will be reusable for future funds. The end result for this work is for existing account users to upload their information once. Delivery was noted as the initial risk for this activity, but this has significantly reduced as questions have been clarified with teams.</p> <p>End of project monitoring report work was confirmed to be in an advance stage of development. The Knowledge &amp; Research team have been highly engaged in the delivery of this work. This complex form is likely to be complete within the next 6 weeks.</p> <p>Meeting room fit outs are now complete across both offices to aid efficient Hybrid meetings. GB noted some small tweaks on learning may be needed to ensure staff usage is optimal.</p> <p>GB confirmed we have now signed with Vodafone as our new mobile provider. This resulting in, overall beneficial financial savings, move to 5G, unlimited data and cheaper overseas usage.</p> <p>The delivery and research of the Digital strategy is ongoing. Artificial Intelligence was noted as a large topic that further understanding is required.</p>

	<p>GB confirmed the deadline for the Digital Strategy is the end of this financial year, with a completed draft in the Autumn.</p> <p>The Committee thanked GB for the helpful update. It was agreed for GB to return to F&amp;GP with the complete draft of the Digital strategy for further discussion. Noting a longer slot for this item being required.</p> <p>Action: GB to agree timeline for strategy presentation/discussion (PB left the meeting).</p>
<b>10.</b>	<b>HR &amp; Office Services</b>
10.1	<p>Pay Review update</p> <p>KL gave an update on the Supplementary pay offer from the 2022/23 pay review. Since the last update the revised offer has been agreed and processed, in the June payroll. The final agreement landed slightly higher than anticipated, which was noted as positive for staff, with IS and Stephen Valley Allen preparing what this means in terms of budgeting and for the 2023/24 pay review.</p> <p>A meeting is scheduled on Monday 10<sup>th</sup> with KL, AL and IS with Scottish Government Sponsor team and Finance business partner to begin discussions on the 2023/24 pay award. KL confirmed monthly meetings are now in the diary for regular updates on the Pay review between HR and Finance. In addition, it was noted that Unions Pay claim is anticipated in the coming days.</p> <p>An update on pay review will be discussed with SLT on the 19<sup>th</sup> of July, this will then allow a paper to come to F&amp;GP for further discussion. The need for an additional online committee meeting was agreed, due to the next F&amp;GP meeting being in November. KL confirmed early non-committal discussions with Unions will begin at the end of July.</p> <p>IS highlighted the subject of Board Pay, as Scottish Governments technical guidance providing a maximum of 1.8% increase. The governance process will take this to Board for decision and approval. It was suggested this should be approved alongside Staff settlements. SF noted this would align with other public bodies.</p> <p>Action: KL to circulate additional date to the Committee.</p>
10.2	<p>HR Operations update</p> <p>KL highlighted the Right to Disconnect agreement, which links to the Pay Review. This is based on the Scottish Government agreed policy with Unions. This has been shared with the Business Operations Directors Group and will also be discussed at SLT on the 19<sup>th</sup> of July. KL confirmed this will return to unions for formal sign off. KL noted external union officials have requested the final version of this for approval. In addition, the external officials have requested sight of all policy changes.</p> <p>It was noted a review of the expenses policy is underway, with a draft of this policy included in the papers. KL highlighted a potential Tax implication within</p>

	<p>this policy but, confirmed once this has been resolved the policy will return to F&amp;GP for approval.</p> <p>The Committee were informed of the introduction of the Insights Discovery Programme to staff, with KL confirming the intention to take the Board through the programme once the new Board appointments were confirmed.</p>
10.3	<p>Health and Safety report AM rejoined for this item.</p> <p>AM updated the committee on the current challenges with Glasgow City Council (GCC), challenges that are shared with the remaining tenants. The Lighthouse has a complex management structure involving both GCC and City Properties. It was highlighted that the on-site building team have now been relocated to other buildings, with a contracted third party security personnel the only constant during the day. GCC have confirmed that there are no current plans to reopen the building to the public. The concern for the procedural information supplied by GCC was discussed. AM confirmed CS's internal processes are robust and so long as these are followed by staff, we are meeting our duty as an employer. The procedural documentation and arrangements on behalf of the building have however lapsed and we are finding it difficult obtaining revised procedures from GCC since changes to on-site personnel. Through conversations with GCC, they have reintroduced some landlord duties including the weekly fire alarm test. AM has a scheduled annual H&amp;S review with WorkNest next week and as part of that review will consider the situation within the Lighthouse. A copy of our current lease with GCC would be helpful for this meeting as it should tell us what areas of H&amp;S are the responsibility of GCC and what are Creative Scotland's. This meeting should provide further clarity on the situation.</p> <p>EP highlighted that H&amp;S of our staff is of key consideration. SF noted receiving further clarity on this of high importance.</p> <p>F&amp;GP requested AM to feedback the outcomes of the meeting with WorkNest to KL. F&amp;GP agreed to follow this item closely.</p>
<b>11.</b>	<b>Any other business</b>
	There was no other business to discuss.
<b>12.</b>	<b>Dates of next meetings</b>
	1 November 2023 7 February 2024