



Minutes

Meeting:	Finance and Resources Committee
Date:	30 January 2025
Time:	10.30 am to 1.00 pm
Venue:	By TEAMS
Committee members present:	Audrey Cowie Rognvald Johnson Ed McGrachan Naghat Ahmed Charlotte Armitage (from item 7) Jenny Marshall
In Attendance:	Jackie Irvine, Chief Executive (CE) Edith Macintosh, Executive Director of Assurance and Improvement (EDAI) Jackie Mackenzie, Executive Director of Corporate Services (EDCS) Gordon Mackie, Executive Director of Digital and Data (EDDD) Kevin Mitchell, Executive Director of Assurance and Improvement (EDAI) Kenny Dick, Head of Finance and Corporate Governance (HoFCG) Lucy Finn, Head of HR (HoHR) (<i>part A of the agenda only</i>) Fiona McKeand, Executive and Committee, and Corporate Support Manager (ECCSM) Donna Laing, Co-Chair (Staff-side), Partnership Forum (<i>part A of the agenda only</i>) Lisa Miller, OWD Manager (for items 12 and 13)
Observers:	Sandy Denholm, Deloitte (external auditors) (<i>part A of the agenda only</i>) Doug Moodie, Care Inspectorate Chair
Apologies:	None

Item**Action****PART A**

(all Committee members and those In Attendance)

1.0 WELCOME

The Convener welcomed everyone to the meeting, and being joined also by the Board Chair, Doug Moodie and Sandy Denholm from the Care Inspectorate's external auditors.

2.0 APOLOGIES

There were no apologies.

3.0 DECLARATIONS OF INTEREST

There were no declarations of interest.

4.0 MINUTES OF MEETING HELD 31 OCTOBER 2024

The Committee **approved** the minutes of the meeting held on 31 October 2024 as an accurate record.

5.0 ACTION RECORD

The Committee noted the full set of completed actions and received an update on item 14 from the previous meeting which had involved further discussion between the Convener and Executive Director of Corporate Services. The action record would be updated to reflect the following:

ECCSM

- A further column to be added to the table that covered Policies of Interest to show the role of the FRC against each of the policies mentioned.
- In relation to the Whistleblowing and Grievance Policies, these will come to the Finance and Resources Committee for comment prior to going to the Board for approval. All other HR policies will go to the committee for noting, following appropriate approval.
- In relation to the committee's role on appeals sub-committees, the Head of HR would be preparing comprehensive guidance on this, to cover all aspects of the process from establishment of a sub-committee to its conclusion.

6.0 MATTERS ARISING**6.1 Committee Terms of Reference: Linkage with agenda items**

The Convener, following previous discussions with committee members, wished to introduce a checkbox to the covering sheet for reports being submitted to meetings of the committee. This was to

ensure that the items being discussed were fully aligned to the committee's terms of reference.

ECCSM

It was agreed that an additional checkbox would be added to the cover report template, similar to the one in place for Board papers for alignment to the corporate plan, where clear reference could be made to which section of the terms of reference linked to the report that was being submitted. It was agreed that this link/reference could initially be agreed during the agenda planning process.

6.2 Terminology under item 15 of minutes of previous meeting

The Convener also requested that, going forward, a change be made to terminology in respect of reference in the previous minutes to "nurse-qualified" staff. It was agreed by the committee that this should be changed to "registered nurse", wherever that applied.

All

7.0 BUDGET MONITORING AND STAFFING UPDATE REPORT – REPORT NO: FRC-07-2024/25

The Executive Director of Corporate Services introduced the quarterly report which provided the committee with details of the most recent projected 2024/25 financial position and an update on the staffing position and measures introduced in response to Scottish Government 2024/25 expenditure controls. Members were invited to discuss and consider the financial position, noting the movement from that previously reported and to note the financial position on the stage 2 digital transformation project.

The Committee was also invited to identify any specific areas of the report that they wished to highlight to the next meeting of the Board on 13 February 2025.

The Head of Finance and Corporate Governance talked the committee through the figures contained in the report, and explained more about the level of core budget underspend and how this could be managed into the next financial year. This would primarily focus on increasing the recruitment levels to support the organisation's scrutiny and improvement activities.

The Committee received clarity and assurance in response to a question on the surplus amount outlined in the report and noted that any recurring roll-over of underspend would be cause for concern.

In response to a question from the Board Chair about the contract arrangements for the delivery of stage 2 digital project, the committee was informed that the process had not yet concluded but was in the process of being finalised.

Having discussed in detail, the Committee noted the financial position and welcomed the fully comprehensive report which provided them with full assurance.

8.0 ESTATES UPDATE – REPORT NO: FRC-08-2024/25

The Executive Director of Corporate Services introduced the report, which provided the committee with an update on the position of the Estate since May 2024.

Members noted the information on the review of the Care Inspectorates office locations based in the North, East and West of Scotland, and associated timelines for each. Priority had been given to the West since the lease breaks/end dates were much earlier than the other regions. This meant that staff based in the Paisley, Hamilton and Stirling offices would be relocated to a new hub based in Atlantic Quay, Glasgow, commencing with the closure of the Paisley office at the end of March 2025. The move to the Glasgow hub would bring efficiencies in terms of public funding and was in line with the Scottish Government's estates strategy. Closure of, and movement of staff from Stirling and Hamilton would follow by the end of September 2025.

The committee expressed interest in staff's reaction to the office closures and were advised that the HR team would be heavily involved in individual consultations with all staff affected by the move from the Paisley office. Working groups for each region had also been established in order to engage with affected staff and hear their views. The Partnership Forum staff side had also been involved. In respect of the current office in use in Paisley, it had been recognised that there were issues with the working environment and meeting space, and the move to the Glasgow hub would bring improvements for these.

There was some discussion on hybrid working arrangements and the level of expectation for staff to undertake in-person working and how this might be impacted by the closure of some offices. Members were advised of the policy arrangement which took account of staff who lived a defined distance from their nearest office location. The Chief Executive confirmed that there was no plan for the Executive Team to increase the percentage of time that staff should be working in-person.

There was further discussion on the effect on business support arrangements where those staff were currently operating a rota for each of the affected offices. It was acknowledged that this would become less of a requirement with three offices moving into a single hub and that business support requirements were already being assessed so that, in terms of business needs and staff being able to work flexibly, both of these could be met.

The staff-side co-Chair of the Partnership Forum welcomed the reassurance that there were no plans to increase the amount of time expected of staff to work in-person and noted that staff-side had welcomed being fully represented in the planning of the office

changes. There was a possibility that further concerns might be identified through the individual consultations with affected staff and that these would be addressed as the exercise progressed.

The staff-side co-Chair also welcomed the comments regarding the expectation from business support colleagues and stressed the importance of this being communicated to staff, as it would be well received.

With regard to the hybrid working arrangements, the staff side co-Chair explained that the Partnership Forum was still in discussion on this matter.

The Committee welcomed and noted the update on the organisation's estate.

9.0 ANNUAL REVIEW OF CARE INSPECTORATE FINANCIAL REGULATIONS – REPORT NO: FRC-09-2024/25

The Executive Director of Corporate Services introduced the report which formed the annual review of the organisation's financial regulations. The Committee was invited to consider the tracked changes to ensure that the regulations remained fit for purpose in accordance with corporate governance best practice. The Committee was also invited to recommend approval to the Board, subject to any revisions agreed.

In response to a question from the committee about approval of alternative expenditure under section 3.2, the Head of Corporate Governance explained that this came under the jurisdiction of the Strategic Management Group and Executive Team, unless there were exceptional circumstances in which case the Board would be involved. It was agreed to make this clearer in the version being presented to Board.

There was also discussion on the reference to “relevant committee” under section 4.3 and it was agreed to revise this to read “The Finance and Resources Committee or Board must approve changes of this nature.”

With these additional changes noted, the committee **agreed** to recommend to the Board that the revised Financial Regulations should be approved at the Board's meeting on 13 February 2025.

HoFCG

10.0 HR QUARTERLY REPORT – REPORT NO: FRC-10-2024/25

The Executive Director of Corporate Services introduced the report which provided the committee with detailed information on HR activity undertaken in quarter 3 of 2024-25. The report also included details of key HR metrics and workforce data.

It was noted that the HR team was continuing to manage a high level of complex casework, as well as growing a robust approach to managing absence and employee relations cases. A wide range of training for managers on policies and processes had also been provided.

The report showed that there had been some positive developments made in recruitment in terms of the organisation's equalities targets and the committee was pleased to note that two care experienced Modern Apprentices had recently started.

The Committee was also pleased to note the additional commentary that had been added around sickness data.

There was discussion on the recruitment and retention of staff with disabilities, specifically with a query from the committee on what retention measures the Care Inspectorate had in place. Members were advised that there were a range of support measures in place by way of reasonable adjustments to working environments, specific risk assessments and occupational health referrals. It was agreed that this data would be looked at in more detail and report back to a future committee meeting.

HoHR

There was also discussion on the organisation's support for staff affected by menopause and the Head of HR explained that guidance had been produced to support both affected staff and managers. A menopause forum had also been set up, which was open to all staff. The Partnership Forum had requested that a policy be developed as well as guidance and this was being taken forward, with input from members of the forum. It was acknowledged that the launch of a policy would be a good platform to promote staff awareness.

The Committee requested more information on the timeline for the development of the policy.

HoHR

The co-Chair of the Partnership Forum recognised the immense pressure on the HR team at the current time but was concerned that this appeared to be impacting on the progression of a number employee relations cases, resulting in protracted processes for some colleagues and affecting their wellbeing. The Executive Director of Corporate Services advised members that senior management shared the co-Chair's concerns about timescales in relation to some employee relations cases. In some cases, staff were on sick leave which could affect the ability to progress matters more timeously but, in terms of HR resource, the Executive Team was looking at this in more detail.

The co-Chair of the Partnership Forum also commented on the good work being done with OWD in supporting managers to understand the application of reasonable adjustments, in situations where their direct reports might be affected by this.

The Convener had a number of additional questions which, due to time constraints, could not raise in details. She therefore requested that the Head of HR and the Executive Director of Corporate Services discuss the possibility of addressing the following in future reports:

- The provision of comparators with the public sector on short, medium and long term absence.
- The further breakdown of the categories in the table on page 5 of the report and if that was not possible, then an explanatory note, or annex, to show what conditions were included under each category. The committee saw the need for more information on the major conditions that were reasons for sickness absence, particularly long term absence. The committee needs assurance that, for example, long term sickness is not due largely to work-related stress.
- The presentation of reasons for absence by short/medium/long term.
- What action is being taken to encourage exit interviews and what numbers of staff are completing them as a percentage of those leaving.
- The process being followed to ensure safe recruitment of inspectors, given that this staff group was likely to attract healthcare professionals with professional registration and regulatory requirements.
- The inclusion of information on the total number of employee relations cases, particularly in the HR annual report, and the inclusion of relevant comparators.

With the above requests for additional information in future reports, the committee noted the quarterly HR report.

11.0 PEOPLE MANAGEMENT POLICY SCHEDULE - REPORT NO: FRC-11-2024/25

The Executive Director of Corporate Services introduced the report which provided the committee with the people management policy schedule for 2024/25 and included a summary of the current status of policies; an overview of how the HR team was managing policy updates over 2024-2025; and details of the stage that each policy review was at. The latter now included new Red/Amber/Green coding, as requested by the Committee at its October 2024 meeting.

The Head of HR drew the committee's attention to the suite of policies that had now been approved and which had been published and highlighted to staff. Guidance documents and training had also been made available.

The Convener welcomed the inclusion of the RAG coding and recognised the amount of work that was being undertaken by the HR team to prioritise policy review requirements.

The Board's Whistleblowing Champion asked for more information on the plans for the review of whistleblowing guidance and the development of policy and was advised by the Executive Director of Corporate Services that there was a need to develop an approach for both internal (CI) and external (service provider staff) and that guidance would be produced to support whistleblowing by care service workers and policy would be developed for Care Inspectorate staff in respect of internal whistleblowing.

The Committee welcomed this and the other details contained in the report and agreed that there was no further reporting information required at this time.

12.0 STAFF SURVEY ACTION PLAN – (PRESENTATION)

The Organisation and Workforce Development Manager joined the meeting to give a presentation on the progress and next steps with the action plan aligned to the staff survey. A more recent consultation during December had involved gaining feedback from teams across the organisation so that staff were fully engaged with the process of development of the action plan.

The Committee was pleased to note that there had been a very high level of team responses and OWD was now considering all of the feedback to draw out key themes. Once this had been completed, there would be further engagement with the Partnership Forum staff-side and the Strategic Management Group to discuss what the action plan should look like and what activities should be prioritised, as well as planning for the longer term. It was anticipated that the action plan would be ready to be published by late March/early April 2025.

The presentation also provided information on the areas of strength, areas of improvement, and collective ownership of the action plan by teams and how they could be supported to help deliver it.

It was noted that the new core values and organisation aspirations had been communicated to staff that week and would be key to supporting a shared understanding of the culture and behaviours that were aspired to.

There were examples of activities already in place to support the different parts of the action plan, which included the planned launch of a new learning and development policy, a mentoring programme, the development of a leadership and management framework, an enhanced communication programme encouraging colleagues to share good practice in terms of values.

The Committee welcomed the details provided on survey feedback and next steps for the development of the action plan and asked that a further update be brought to the committee meeting on 13 May 2024.

**OWD
Manager**

13.0 HYBRID WORKING IMPACT ASSESSMENT – REPORT NO: FRC-12-2024/25

The Executive Director of Corporate Services introduced the report which referred to the new approach to hybrid working, introduced in early 2024 with the aim of achieving an effective and balanced way of working, that enabled all staff to meet organisational needs and achieve a work-life balance. An expectation for staff to work in person for 40% of their working time in person had been introduced in March 2024 and the report outlined the results of an impact assessment carried out six months after implementation of the arrangements.

The assessment had been carried out through a hybrid working questionnaire which all staff had been invited to complete in September 2024, supported by independent research partners, DJS Research Services. The researchers had analysed the responses from the 70% of staff who had completed the questionnaire and the Committee was asked to note the results.

The committee discussed the figures associated with disabled staff and raised the question about adjustments being made to hybrid working arrangements, as the figure in the analysis appeared to be very low. The Head of HR explained that this could be attributed to managers' awareness of what adjustments could be made and therefore this gap could be bridged through further training. The committee was assured that there were good examples of adjustments and support measures having been put in place and more work was required to build on managers' confidence so that they knew what they were able to do and what support there was to enable them to do so.

In response to the committee's query about staff who were neuro-divergent and what reasonable adjustments could be made under the hybrid working arrangements and home working, members were advised that the current risk assessments did not go down to that level of detail but there was now training available to raise awareness of the types of adjustments that could reasonably be made whether in the office or at home. Each time a risk assessment was carried out where reasonable adjustments were identified, those adjustments would normally be applied. There were also examples of adjustments having been made for staff who did not have disabilities but perhaps had anxiety or were neuro-divergent where agreement had been reached between the staff member and manager without having had to go down the risk assessment route.

There was also some discussion on how teams were collaborating across the organisation, with the committee noting that 27% of teams felt positively about this and members were advised that the bedding in of the new directorate structure might help to improve this area, although it was still very early days.

The Committee noted the information in the report and appendix and that Partnership Forum would be discussing in more detail.

STANDING ITEMS

14.0 UPDATE ON NEW STRUCTURE (VERBAL)

The Chief Executive provided a verbal update noting that this would be a standing agenda item until the new structure was fully implemented. The Committee was advised of the following:

- There had been a recent meeting with the Chief Nursing Officer and Director of Social Care (director of the Sponsor team) that week.
- With the Board having approved the new structure the Chief Executive advised that a further update and detailed timeline would be shared with the Board in due course.
- Options for displaced staff were continuing to be addressed.
- Meetings had been held with stakeholders including Scottish Care.
- With the change of directorate names and movement of teams now being in place, the focus was now on trying to resolve any issues with staff directly affected.
- Recruitment to new posts had commenced.

It was agreed that the committee had a role to play in oversight of implementation of the new structure and that there would be further discussion around this between the Convener, Board Chair and Chief Executive.

The staff-side co-Chair commented on the impact of the changes on staff who had been directly affected. This point was acknowledged by the committee and the Executive Team.

In response to a question on whether staff morale had been affected by the changes to the organisational structure, the Chief Executive considered it was perhaps too early to measure, but analysis of the staff survey suggested a slight improvement since the pulse survey undertaken in 2022 and this was despite it taking place in the midst of organisational change. The Committee considered that the staff survey action plan would go some way to help embed the new model of operation.

The Committee welcomed the update and noted that further information would be provided to the full Board.

15.0 IDENTIFICATION OF RISK

The committee agreed that there were no additional risks to highlight.

16.0 FINANCE AND RESOURCES COMMITTEE HIGHLIGHTS FOR THE BOARD

The Committee agreed the following to be included in its report to Board:

- Recommendation that the Board should approve the revised financial regulations
- The extent of the discussion on the budget monitoring report
- The update on the Care Inspectorate's estate
- The discussion on the HR report and request for additional reporting information
- The Committee's assurance of the policy review process and addition of the RAG coding
- Progress being made with the staff survey action plan and input from the committee
- The results of the hybrid working impact assessment and discussion
- The extent of the discussion on the draft budget, and committee's agreement to recommend to the Board that care home fees remain at the 2024/25 level.

17.0 SCHEDULE OF COMMITTEE BUSINESS 2025/26

The Committee noted the schedule of business for the new cycle. Subsequent discussion under item 18.1 below resulted in the addition of a report on a staff governance framework.

18.0 ANY OTHER COMPETENT BUSINESS

The Convener raised the following additional business matters.

18.1 CI Governance Framework: Preliminary discussion

Referring to the Board event held in December 2023, when there had been discussion on a staff governance framework, the Convener wished further discussion on options for taking this forward, and that this should acknowledge and map what was already in place.

It was noted that some preliminary work had been undertaken and it was **agreed** that the Head of HR would prepare a more detailed report for the May meeting of the committee. This would therefore be added to the Schedule of Business.

18.2 Finance and Resources Committee role in development of Corporate Plan

The Convener raised the matter of the committee's input to the drafting of the corporate plan, prior to its submission to Board.

Edith Macintosh, Executive Director of Scrutiny and Improvement, explained that a meeting had been held with the Chair that morning

and a paper would be submitted to the February Board meeting outlining a draft programme for development of the plan, commencing with strategic discussion with the Board. Discussion with the Chair had also covered the representation of the Board on various working groups and development of revised key performance indicators.

The Committee welcomed this update.

18.3 Whistleblowing arrangements and policy development

This had been covered under item 11 above.

PART B (for specific excluded items)

19.0 DRAFT BUDGET – REPORT NO: FRC-13-2024/25

This item was attended by committee members, the Executive Team and Head of Finance and Corporate Governance, being an excluded matter. The discussion was noted in a separate minute.

20.0 CLOSE OF MEETING AND DATE OF NEXT MEETING

The Convener closed the meeting, thanked everyone for their contributions and noted the next meeting would be held on 13 May 2025 by Teams.

Signed

Audrey Cowie
Convener