

Minute of a Meeting of Shetland Arts Development Agency Board of Trustees, 25 April 2013, held at 6.15pm at 2nd Floor Meeting Room, Mareel, Lerwick.

Present:

Danus Skene (DS), Chair, Shetland Arts
 Silke Reeploeg (SR), Trustee, Shetland Arts
 Steven Cheverton (ST), Trustee, Shetland Arts
 Robina Barton (RB), Trustee, Shetland Arts
 Irvine Tait (IT) Trustee, Shetland Arts
 Leslie Lowes, (LL), Trustee, Shetland Arts
 Jill Franklin (JF), Trustee, Shetland Arts
 John Dally (JDal), Trustee, Shetland Arts (6.30)

In Attendance:

Gwilym Gibbons (GG), Director, Shetland Arts
 Sheila Duncan (SD), Head of Finance and Admin, Shetland Arts
 Christine Simpson (CS), Finance Officer, Shetland Arts (Minute taker)
 Holly Burford (HB), Head of Operations
 Andrew Ormston

Apologies:

John Goodlad (JG), Trustee, Shetland Arts
 Mike Palmer (MP), Trustee, Shetland Arts

Item	Topic	Action
1	Welcome, Apologies & Declaration of Interest	
1a	<p>The Chair welcomed everyone to the meeting.</p> <p>Apologies were received from John Goodlad and Mike Palmer.</p> <p>There were no declarations of interest.</p> <p>The Chair introduced Mr Andrew Ormston, who is conducting a study of the Business Plan (financed by HIE).</p> <p>DS advised the running order of the meeting will vary slightly from the Agenda.</p>	
2	Minutes of last meeting	
2a	<p>The minute of the meeting held on 25th March 2013 was approved for accuracy by Irvine Tait and seconded by Silke Reeploeg.</p> <p>Matters Arising: PR/Draft Communications plan still in progress. JF will update the board later during meeting.</p>	
2b	<p>Matters arising that don't appear within the agenda.</p> <p>None</p> <p>.</p>	
3	Finance and Management	

3a	<p>Finance Sub-Group Update:</p> <p>The group met on Friday 19th and discussed the management figures to date. SD explained that due to other work commitments she had not been able to examine the figures in detail. The main message to the board was that the deficit amount at the year end is likely to change when accruals etc have been accounted for. Where Price Waterhouse Cooper had an estimated £340K deficit at year end, Shetland Arts estimate the deficit to be nearer £38K. GG mentioned this includes the additional one-off spends incurred with the review.</p> <p>DS asked the Board to consider replacing him as Chair of the Finance sub-group and appoint Mike Palmer. He does not think it appropriate to be Chair of both the Board and Finance sub-group simultaneously. MP has agreed in absentia to chair the group if Trustees are happy. The Trustees all agreed the change.</p> <p>GG reminded the full Board that their role is to be fully aware of the financial position of the organisation, and that the role of the Finance sub-group is to help by providing an extra layer of interpretation of the figures.</p>	
3b	<p>Directors Travel:</p> <p>The Trustees noted the two trips undertaken by the Director, including the Elgin trip which was fully financed by HIE.</p>	
3c	<p>Financial Options Paper:</p> <p>In response to the desire for SADA to achieve a surplus at the end of each financial year, GG distributed a paper showing the challenges to the organisation and targets it hoped to meet. OSCR suggests organisations have a reserve figure of a minimum of 3 months running costs, but would prefer organisations to have nearer a 6 month reserve figure. SCT has reviewed its policy and amended the grant conditions to enable Shetland Arts to retain a small surplus in a general reserve up to £50,000.</p> <p>GG also highlighted a future financial risk to SADA if the revenue funding from SCT is withdrawn after March 2014, when the present funding agreement ends. The recent decision by SCT to discontinue funding SYIS, being an example.</p> <p>GG looked at areas in the budget to tweak to provide a surplus, and broke this amount down to headings where he thinks savings can be made. Following a discussion, DS added that the Board had asked for a minimum of £50K to be found and the paper indicates SADA could find around £80K. Whilst they recognised some of the difficulties in making assumptions, GG said the proposed strategy was a good mix of risk based on evidence to date. The Board were in agreement to the</p>	

	<p>proposals for the efficiencies as demonstrated on the paper to be found, and invited the officers to proceed accordingly.</p> <p>JD asked if the Board would get quarterly reports updating them on progress. SD said that would happen although some areas of income generation would be easier to report on than others.</p>	
3d	<p>Baker Tilly Report and Business Plan Review:</p> <p>The Chair introduced Andrew Ormston, who was commissioned by HIE to review the Business Plan. He said it was essentially a big exercise to see what is real and what is not. The Business Plan is a working document and Shetland Arts is an organisation that has grown very quickly with the opening of Mareel. There have been fundamental shifts in relationships and functions coupled with the shifting sands of arts in the local and national environment. His time has been spent meeting staff, management teams, the CEO, senior officials in the SIC and SCT and also Creative Scotland. He has felt the meetings were very productive and will now prepare a report. It is important to address any issues now before bad practice or inefficiencies get embedded. He felt that GG was heavily involved with seeing the capital project through to conclusion but he thought this meant the strategic/development side was not as it should be. He anticipated a six month project with an action plan highlighting the priorities and tactical challenges. GG said he hoped to bring the draft report to the next Trustee meeting.</p> <p>The headlines comment by AO: great team and real talent.</p> <p>DS said the report was useful to take forward and work with the SIC, to make relationships more positive between the two organisations. GG said the loss of the cultural spokesperson in the SIC had not helped.</p> <p>AO concluded by saying he was also going to conduct a skills audit on the Board, and would be contacting them via e-mail.</p>	
3e	<p>Revenue sub – Committee or Generating Income Group (GIG):</p> <p>Jill Franklin introduced GIG as a way to develop ideas to generate ‘new’ money, probably from outside Shetland. On the group are RB, MP and LL. The draft aims document was discussed and MP said he was happy to champion the social benefit strand. JF said she wore a more ‘commercial’ hat and LL was keen to champion the IT content area (streaming, downloading). GG said that real savings can be made in the commercial sector.</p> <p>GG also said progress was being made on the ‘Friends’</p>	

	<p>scheme. During his research he said some schemes actually lost money and SADA should be careful to avoid known pitfalls. The Trustees debated the merits of whether to have a 'Mareel' friends scheme or a wider 'SADA' friends scheme.</p> <p>IT said there were other ways to generate income such as sponsor a cinema seat or targeted campaigns for a specific purpose.</p> <p>GG also discussed SEA (Shetland Endowment to the Arts) which was first launched in Sept 2013. There are a number of avenues available to encourage people to leave money to the arts, and SADA should actively look again at this, especially targeting people from USA, New Zealand and Australia for example.</p>	
3(f)	<p>Reserve Policy</p> <p>A copy of the April 2007 policy was distributed. GG said the content was sound but that there were some figures that required updating.</p> <p>SD reminded the meeting that the SCT allowed a reserve of £50K but that any surplus made from Mareel would be separate and could be used to pay off outstanding loans, eg the Hatchery.</p> <p>RB asked if there was a central point of access for all the key strategic documents. GG said he would bring a list of the reviewed policies and their revision dates to the next meeting.</p>	GG
3(g)	<p>Authorities and Signatures Update:</p> <p>Trustees ratified the change of bank signatories as instructed to the bank and signed by the Chair - (Richard Wemyss and Jim Johnston have been removed, and Holly Burford, Les Lowes and Irvine Tait added). The Authorities Schedule has been updated to reflect some revisions in the SADA structure.</p>	
4	<p>AOCB</p> <p>The minimum notice to sign the legal document to transfer the heritable rights is seven days. It was suggested that the meeting is adjourned temporarily and reconvened in order to sign the papers when ready.</p>	
5a	<p>The meeting adjourned at 8.30pm</p> <p>Dates of next meetings:</p> <p>Thursday 6th June at 18.15 - venue Mareel Thursday 11th July at 18.15 – venue Mareel</p>	

Minute approved :

Danus Skene
Chair, Shetland Arts Development Agency