

**Shetland Arts Development Agency  
Board of Trustees Meeting  
Friday 16<sup>th</sup> December 2011 at 4pm  
Venue: Market House, Lerwick**

**Shetland** *arts*

Item	Description	Report	Item taken by	ACTION
1	Welcome, apologies and declaration of interest	Verbal	Chair	Note
2	<b>Minutes of last meeting</b>			
2a	Approval of Board Minute for accuracy – meeting of the 10/11/11	Attached	Chair	Approval
2b	Matters arising that don't appear within the agenda	Verbal	Chair	Discussion
3	<b>Finance and Management</b>			
3a	Management Accounts	Attached	Director	Note/ Decision
3b	Directors travel update	Attached	Director	Note/ discussion
3c	Business Plan 2012-2015 Consultation	Attached	Director	Discussion
	<b>Large Scale Project Updates</b>			
4	<b>Mareel Project</b>			
4a	Construction update	Verbal – detailed papers available on Basecamp	Director	Note
4b	Operational update	Verbal update	Director	Note
4c	The Hatchery Project	Verbal update	Director	Note
5	<b>Any Other Business as agreed by the Chair at the start of the meeting</b>		Chair	
6	<b>Dates of future meetings</b>			
6a	<b>SADA Board Meeting:</b>	Forward Board Plan Attached	Chair	Confirm dates and venues for future meetings

**CLOSED ITEMS**

A	Mareel Cost report	Verbal + copy on Basecamp	Director	Note
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**Shetland Arts Development Agency  
Management Accounts By Department  
For Period Ended 31 October 2011**

**All Departments (exc Mareel capital)**

	Actual Year-to-date £	Budget Year-to-date £	(Over)/ Underspend £	Annual Budget £	Comments
<b>Income</b>					
Box Office	96087	99115	-3028	184680	Garrison Programming income £2.6K less than budgeted
Ancillary Earned Income	112862	88507	24355	223052	see note 1
Other Earned Income	1708	1000	708	1000	
Business Sponsorship	2300	5200	-2900	35200	£1K outstanding, but overall less than expected income from sponsorship
Donations, Trusts, etc	1859	1091	768	21091	
Revenue Creative Scotland	117603	117603	0	156803	
Project Funding Creative Scotland	91760	120800	-29040	340050	see note 2
Local Authority Project Funding (SIC)	3004	4269	-1265	10019	Income less than expected from The Voyage Project
Other Public Funding	6867	33874	-27007	43120	see note 3
SCT Core Funding	721592	747146	-25554	747146	Second instalment of Planned Maintenance funding is outstanding
	1,155,642	1,218,605	-62,963	1,762,161	
<b>Expenditure</b>					
All Staff Costs	517304	533832	16528	943082	see note 4
Programme	167538	212583	45045	333479	see note 5
Marketing	10851	13452	2601	39738	see note 5
Education	27985	70582	42597	103232	see note 5
Project Overheads	5454	1000	-4454	2000	see note 5
Other Expenses	218	0	-218	0	see note 5
Marketing (Strategic costs)	10191	4375	-5816	7500	Over budget. Have tried to rein this in and hopefully won't be any further large spend before the year-end
General Overheads	156475	188027	31552	464104	see note 6
	896,016	1,023,851	127,835	1,893,135	
Net Surplus/(Deficit)	259,626	194,754	-64872	-130,974	

## **Shetland Arts Development Agency Notes on Management Accounts for Period to 31 October 2011**

### **Overview**

The Management Accounts for the 7 months to 31 October 2011 show a surplus of £259,626, which is to be expected as we received the second instalment of our SCT core funding on 1 October. Our surplus-to-date is £64,872 better than we projected at this point.

You will find some detail regarding the figures in the Management Accounts themselves, but some further explanation is also included below.

### Note 1 – Ancillary Earned Income

Ancillary Earned Income is £24,355 higher than budgeted for the year-to-date

Music (Dept 3 – Arts Development) - £6,500 SLA income for NC Music Course development has been included under Ancillary Earned Income but the budget for this is under other public funding.

Craft (Dept 4 – Arts Development) - £4,900 income outstanding, which relates to quality assurance work to be done for Shetland College in January/February 2012.

Garrison Theatre – Income in both, Dept 30 Garrison Theatre – Building Overheads and Dept 31 Garrison Theatre – Programming are lower than we forecast for the period, however hopefully this will catch up with the Panto hire/tuck shop income and various other hires over the coming months.

Weisdale Mill Income – Income is higher than forecast in WM Shop (£4,622), WM Café (£5,910), Exhibition (£2,902). Although the turnover in both the Shop and Café are up, costs are also higher. The anticipated deficit for the year-to-date is still however better than forecast (WM Shop £1,484 better and WM Café £808). We continue to achieve higher than forecast income from Commission on Exhibition sales, and hopefully with the Christmas exhibition yet to come, this will continue.

Westside Cluster income is higher than expected by £13,200 due to the receipt of insurance monies for the repair of the Kergord Hatchery roof.

### Note 2 – Project Funding Creative Scotland

Overall Project Funding from Creative Scotland is £29,040 less than expected for the year to date.

Music (Dept 3 – Arts Development) - £1,250 outstanding, being the final instalment of funding in respect of jazz development.

Craft (Dept 4 – Arts Development) - £5,250 more than expected per budget, due to Working Up funding being granted for a further year, which was not expected.

Literature (Dept 5 – Arts Development) - £20,000 less than expected per budget due to funding outstanding for the Readers in Residence project.

Strategic Development (Dept 51 – Admin/Management) – income from project funding here is £12,790 less than expected. This is largely due to the final instalment of funding for Between Weather/CIC set-up outstanding (£15,900).

### Note 3 – Other Public Funding

Overall Funding from other public sources is £27,007 less than expected for the year to date.

Visual Arts (Dept 1 – Arts Development) – funding here is £2,824 less than expected. This is made up of £8,219 expected from Year of Islands Funding in respect of LK Undersails Project as yet not received, but off-set by £5,345.60 final instalment of Children In Need funding for Space to Face Project being received ahead of schedule.

Music (Dept 3 – Arts Development) – Income from Shetland College for the preparation of the NC Music Course was budgeted at £6K under this heading, but all income as been included instead under Ancillary Earned Income, as we have a Service Level Agreement with the college.

Weisdale Mill Exhibition (Dept 7 – Weisdale Mill) - £2K funding was anticipated to fund the Bonhoga Education Project, but this has not been granted for 2011/12.

Mirrie Dancers (Dept 10) – An accrual of £17,037 in respect of money due from Leader for this project is still outstanding.

### Note 4 – All Staff Costs

Arts Development overall shows actual salaries are in line with budgeted staff costs up to October, although it appears that there is an overspend on Music salaries. The reason for this over spend is that a total of £8,200 of the Music Development Officer's salary for the year will be transferred to Mareel Education (Dept 23). This has not yet been done.

Mareel Departments show an overall under spend for the year-to-date of £5,890. This is due to staffing being recruited later than budgeted, and the transfer for the Music Development Officer's time noted above, not yet being done.

Garrison Theatre Departments show an overall under spend for the year-to-date of £4,764. There is usually a higher spend on zero-hours staffing during the winter months, due to the Panto, and various other events, so I would

expect to see this figure reduce, but would hope that we will end the year with a small overall under spend.

There has been an over spend on Weisdale Mill Café staffing costs for the year-to-date, but this is balanced by an under spend on Weisdale Mill Shop staffing costs for the same period. One of the Gallery Staff has been signed off sick now for an extended period of time, which may increase the Shop staffing cost somewhat due to the need to cover these hours, but hopefully with Bonhoga closed in January, the impact of this will not be significant.

Westside Cluster shows a slight under spend of £1,694 as time in lieu payable on Mary's retirement has cost less than anticipated. I would remind Trustees that we are hoping that Shetland Charitable Trust will assist us with the cost of Mary's retirement. A report should now go up at the SCT February meeting in this respect.

Admin staffing costs show an under spend of £4,166. This is due to the non-recruitment of a Head of Programming. This budget is however being used to pay for external programming fees, which are detailed under Mareel Overhead costs.

#### Note 5 – Project spending (budget headings; Programme – Other Expenses)

I am currently speaking to all the Development Officers with regard to where they are at with their projects and what they intend spending between now and the end of the year. I have looked at all our current projects and estimated the remaining spend up to 31 March 2012. This was required in our funding application to the Shetland Charitable Trust.

Estimated final annual cost under each heading is as follows;

Programme	£231,578
Marketing	£11,930
Education	£87,724
Project Overheads	£4,714
Other Expenses	£178

**TOTAL** **£336,124**

The budgeted spend for the year-ended 31 March 2012 was £478,449 for these combined headings, giving us an estimated under spend of £142,325.

The largest chunk of this under spend (£73,177) is in Arts Development, and is balanced by lower than expected Project income. The reason this is so high is that we budgeted for a significant spend on the Ignition Project which we are working on with National Theatre of Scotland, but so far the full funding package has not been found, so project has been delayed.

Spending on Programming/Marketing Mareel has also been delayed and means that we now think we will under spend against our original budget in this area to the tune of £63,035.

There should also be a small under spend in Weisdale Mill Exhibition, which relates to changes to the Exhibition programme for the year. One of the exhibitions which was expected to happen relied on additional project funding, so again the saving here is largely balanced by reduced funding income.

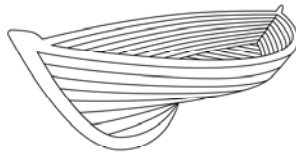
#### Note 6 – General Overheads

Again, in order to provide the Shetland Charitable Trust with the information for the 2012-13 funding application, an estimation of costs up to the year-end was required. I have estimated a final annual spend on General Overheads of £341,954. This is £122,150 less than our original budget.

The majority of this anticipated under spend comes from Mareel Departments and is due to the construction delays. We had anticipated that the building would be in operation for the final month of the year and that will no longer be the case, giving an under spend of £107.8K in Mareel General Overheads.

We are anticipating a saving of £9.8K on Garrison Building overheads with Electricity cost so far coming in lower than expected, less spend than anticipated on Tuck shop purchases and various other small savings. We have found since we have taken over our own Planned Maintenance that our repair costs are lower, as much of this can be claimed under Planned Maintenance funding.

There is also a small under spend estimated on our Admin/Management overheads of £4.3K. At this stage of the year, it is difficult to know if this can truly be achieved, as many of the costs are out with our control, but staff are trying to keep costs down wherever possible.



# Shetland *arts*

**To:** Board of Trustees – Shetland Arts

16 December 2011

**From:** Director, Shetland Arts

## 1. Trips undertaken off island by the Director since last Board Meeting (10 November 2011)

When	Where	Why
14/11/11 – 16/11/11	Glasgow	GHA meetings Between Weathers Meetings RSNO Meeting Mareel programming meeting
16/11/11 – 19/11/11	Taigh Chearsabhagh, North Unist	Consultancy
06/12/11	Edinburgh	Putting culture at the heart of a low carbon Scotland seminar
09/12/11	Edinburgh	Creative Scotland meeting

## 2. Director planned off island trips

When	Where	Why
12/01/12 – 13/01/12	Edinburgh	Mareel Meeting - GHA
26/01/12 – 28/01/12	London	Mission, Model, Money (MMM) meeting
27/04/12 – 06/05/12	Lord Howe Island, Australia	Speaker at international Small Islands Futures Conference – at no cost to Shetland Arts or the United Kingdom.

**Please note the Director has provisional bookings for Annual Leave on the following dates:**

10 February 2012 – 20 February 2012

## 3. Recommendations

1. The Board are asked to note the above report



**Shetland***arts*

AGENDA ITEM: 6a  
SADA BOARD MEETING: 16/12/11

**To:** Board of Trustees – Shetland Arts  
**From:** Director, Shetland Arts

**Shetland Arts Development Agency: Board Agenda Forward Plan 2011 / 2012**  
**Last revised: 16 December 2011**

**Trustees:**

Jim Johnston (Chair)	Joyce Davies	James Sinclair
Les Lowes	Silke Reeploeg	Robina Barton
John Dally	Irvine Tait	Danus Skene
John Goodlad	Mark Burgess	

Date	Venue	Item 1	Item 2	Item 3	Item 4	Item 5	CLOSED ITEM A	CLOSED ITEM B	Attending
<b>Wed 10 Nov: 6pm</b>	Bonhoga Gallery	Annual budget 2012/13	SADA Business Plan Objectives	Risk Management	Trustee Appointments				GG
<b>Friday 16 Dec: 4pm</b>	Toll Clock	3 year Arts Development Plans	Revised Business Plan 2012/13						GG
<b>Thurs 26 Jan: 6pm</b>	TBC	SADA AV Equipment Bank	Overseas strategy	Mareel opening event					GG
<b>Sat 10 Mar: 10am</b>	TBC	The Hatchery Business Plan	SADA Friend Schemes						GG





**Shetland** *arts*

AGENDA ITEM: 6a  
SADA BOARD MEETING: 16/12/11

**Standing items at all meetings:**

1. Welcome: Present, Attending and Apologies
2. Minutes of last meeting
  - a. Approval of minute
  - b. Matters arising
3. Finance and Administration
  - a. Management Accounts
  - b. Directors Travel
4. Large Scale Project Updates
  - a. Mareel construction
  - b. Mareel preparation
5. AOB
6. Dates of future meetings
  - a. Board Forward Work Plan

**Other Meetings:**

Mareel Project Board (Operations)  
Mareel Project Board (Construction)  
Trustee Arts Development  
Finance Subgroup

All meeting papers and other correspondence at the online Project Management Site, Basecamp: <https://shetlandarts.basecampHQ.com/login>

**2. Recommendations**

The Board are asked to note the above report.