

**Minute of a Meeting of Shetland Arts Development Agency Board of Trustees, held at 6.45pm on Tuesday 28<sup>th</sup> September 2010 at Shetland Museum & Archives, Hay's Dock Lerwick (following Mareel Site Visit at 5.30pm)**

**Present:**

Jim Johnston (JJohn), Trustee/Chair, Shetland Arts (Chair)  
 John Dally (JDal), Trustee, Shetland Arts  
 Robina Barton (RB), Trustee, Shetland Arts  
 Joyce Davies (JDav), Trustee, Shetland Arts  
 Mark Burgess (MB), Trustee, Shetland Arts  
 James Sinclair (JS), Trustee, Shetland Arts

**In Attendance:**

Gwilym Gibbons (GG), Director, Shetland Arts  
 Lynda Anderson, Office Administrator, Shetland Arts (minutes)  
 Sheila Duncan (SD), Management Accountant, Shetland Arts  
 Paul Hetherington (PH), Director, The A9 Partnership Ltd

**Apologies:**

John Goodlad (JG), Trustee, Shetland Arts  
 Leslie Lowes, (LL), Trustee, Shetland Arts

Item	Topic	Action
1	<p><b>Apologies and welcome</b></p> <p>Mr Johnston welcomed everyone to the meeting. He introduced Mrs Sheila Duncan, Shetland Arts' Management Accountant and Mr Paul Hetherington, Director of the A9 Partnership Shetland Arts' auditors. Both were in attendance to present the 2009/2010 Annual Accounts to the Board.</p> <p>Apologies were received from Mr Lowes and Mr Goodlad.</p> <p>Mr Johnston thanked Mr Gibbons for arranging the Mareel site visit that took place immediately prior to this meeting. He asked that another visit be arranged for 8 weeks time.</p>	
3	<p><b>Finance and Management</b></p>	
3c	<p><b>Annual Accounts</b></p> <p>Given that Mr Hetherington and Mrs Duncan were in attendance to discuss the Annual Accounts, Mr Johnston asked this item be taken first.</p> <p>Mrs Davies asked if the £50,000 Charitable Trust reserve figure is in need of revision. Mr Gibbons noted that more detailed conversations are required around revising this figure. Mr Johnston agreed.</p> <p>Mrs Davies noted the 25% increase in turnover. Mr Gibbons reported that this is predominately due to income for Mirrie Dancers, a large scale capital project.</p>	

	<p>Mr Dally asked about the £10,000 electricity accrual. Mr Gibbons noted this was due to a meter fault at Bonhoga and that this would be the worst case scenario for the corrected bill.</p> <p>Mrs Davies asked what Investment Income refers to. Mrs Duncan replied that this is not investment in stocks and shares, but that when instalments are paid, e.g. from the Charitable Trust, some of the money is placed in high interest accounts.</p> <p>Mr Sinclair acknowledged the current difficulty around providing pension schemes but asked if there is any way we can plan for this. Mr Hetherington said no, that this is dependent on the market and will fluctuate year to year. Mr Gibbons added that Shetland Arts is part of the local government pension scheme, which is underwritten by the Charitable Trust. Mr Johnston asked that Mr Gibbons seek written information on the pension scheme from the Charitable Trust</p> <p>Mr Hetherington noted he was impressed by the compilation of the Annual Accounts report. Mr Johnston, on behalf of the Board, congratulated all involved in compiling the report.</p>	<b>GG</b>
<b>3a</b>	<b>Management Accounts</b>	
	<p>Mrs Duncan noted there is still significant box office income to come in.</p> <p>The Board approved that income figures be amended to reflect actual income.</p> <p>Mr Johnston asked that it be explained to the Board why music target is out (pg 9 of annual accounts). Mr Gibbons noted this is based on projected income which is difficult to predict.</p> <p>Mrs Davies asked if Shetland Art is insured against event cancellation, Mr Gibbons that we were not and that such insurance is very expensive and rarely economic expect for significant events with large financial risk.</p>	<b>SD</b>
	<p>Mr Burgess asked about Business Sponsorship. Mrs Duncan noted that some forms of sponsorship are not always easy to record. For example, donation of equipment for use wouldn't show in the accounts.</p> <p>Mr Johnston noted that Mrs Johan Adamson has resigned as a trustee of Shetland Arts. Mr Johnston will write to Mrs Adamson, thanking her for her input to the organisation and</p>	

	wishing her the best for the future.	
<b>3b</b>	<b>Director's Travel Update</b>	
	<p>Mr Gibbons noted he had undertaken a number of off-island trips for meetings regarding Mareel, including with record labels, film producers and branding experts.</p> <p>Mr Burgess asked the benefit of four staff members attending PLASA. Mr Gibbons replied that it was necessary because each of them has an area of specialisation in sound/AV. He also pointed out that he was in London on other business through this period. No purchases were made but this was an opportunity to see the equipment on offer. Mr Burgess asked if this information will be taken back to stakeholders. Mr Gibbons noted that discussions would first be held with local sound engineers.</p> <p>Mrs Davies asked how many decisions on big costs for Mareel have still to be made. Mr Gibbons noted they are about to tender for cinema installation. Mrs Davies asked if all options on sound equipment were being considered before the final decision is made. Mr Gibbons said they are deciding between two sound desks. Mr Dally asked if there is a lead time for supply of these items. Mr Gibbons said yes, but only 6-8 weeks for AV equipment, while lead time for cinema equipment is 4-6 months.</p>	
<b>3d</b>	<b>Recruitment</b>	
	<p>Mr Gibbons reported that the closing date has passed for the three new posts of Head of Operations, Head of Programming, and Head of Admin &amp; Finance. Interviews will be held 4<sup>th</sup>-6<sup>th</sup> October.</p> <p>The interview panel for Head of Operations is Mr Gibbons, Mr Johnston and Mr David Williams as external advisor. The interview plan for Head of Programming is Mr Gibbons, Mr Burgess and Mr Williams.</p> <p>Mrs Barton asked when the new recruits will begin. Mr Gibbons noted that the start date is currently being reviewed but want this to be close to Mareel opening. Mr Johnston noted time should be allowed for management team to be established.</p> <p>Mr Gibbons noted that two trustee applications have been received. During a discussion around trustees, it was noted that Mr Alan Murdoch's resignation details are not included in the Annual Accounts report. This information will be added.</p>	<b>Admin</b>
<b>3e</b>	<b>Power of Attorney</b>	
	Mr Gibbons outlined the need for 5 trustees to hold Power of Attorney. Currently, only 3 trustees – Mr Johnston, Mr Sinclair	

	and Mr Goodlad hold this power. It was agreed to add Mr Burgess and Mrs Barton who are also authorized to sign cheques.	
<b>3f</b>	<b>Endowment for the Arts</b>	
	Mr Gibbons reported there is nothing to update, and there have been no developments on the Endowment for the Arts ideas but the plan is to approach potential funders. Development of the programme will be picked up by the new management team. Endowment for the Arts will remain a regular agenda item, to ensure future updates.	<b>Agenda</b>
<b>2</b>	<b>Minutes of the Last Meeting</b>	
	Mr Johnston asked about the lack of funding for some of the proposed future staffing posts. Mr Gibbons noted that this has not progressed, and confirmed that the posts will not be advertised if money is not in place.  Mr Johnston asked for volunteers for the finance subgroup. It was agreed that Mr Johnston will ask Mr Goodlad. Mr Gibbons noted that Florence Grains is the new cultural spokesperson for Shetland Islands Council. Mr Gibbons will meet with her.  The minutes of the meeting were approved.	
<b>4</b>	<b>Mareel Project</b>	
<b>4.1</b>	<b>Construction Update</b>	
	Mr Burgess asked whether construction is still on time and on budget. Mr Gibbons replied yes. A discussion on closed matters followed.	
<b>4.2</b>	<b>Operations Update</b>	
	Mr Gibbons reported recruitment of staff and purchase of equipment are the main Operations Issues currently being addressed.  Much work has been done on developing an identity for Mareel. The Mareel Brand was presented to the Board as a closed item, for their approval.	
<b>4.3</b>	<b>Between Weathers</b>	
	Mr Gibbons reported that he has been in discussions with B4Films regarding the upcoming feature film, Between Weathers. It is planned the film will be shot May/June/July 2011. At present it is difficult to predict when exactly the go ahead for filming will be given – could be 6 weeks prior to start date. Social investors are being sought.  Mr Gibbons noted there is a need to formalise Shetland Arts' relationship with B4 Films, as outlined in the report provided to Board. The recommendation to the Board is that Shetland	

	<p>Arts form a Limited Liability Partnership (LLP) with B4 Films. The only risk with this is loss of finances to set up this partnership, and in time invested.</p> <p>Mr Gibbons added that in addition to establishing an LLP with B4 Films, a second recommendation is to establish a Community Interest Committee (CIC) to enable profits to be distributed within the Community.</p> <p>Mr Johnston asked why the Board is not waiting for final legal advice before making these decisions. Mr Gibbons replied that he has arranged to talk with a specialist film/media lawyer.</p> <p>A discussion was held around how film finances would fit into management accounts to enable Shetland Arts to retain Charitable Status. Mr Gibbons reported this would be similar to having a trading subsidiary, examples of which are Shetland Museum &amp; Archives, and Shetland Amenity Trust.</p> <p>Mr Johnston asked the cost implications of setting up a CIC. Mr Gibbons reported this would cost £1200. Mr Gibbons added that the assets within the CIC cannot leave the community.</p> <p>Mrs Barton asked that a legal opinion be sent out to trustees. All agreed that more legal information was required by the Board, and to hold this decision until the next meeting, Mr Johnston asked that the item be added to the agenda of the next Board meeting.</p> <p>Mr Johnson also asked why this would be a Mareel CIC and not SADA CIC. Mr Gibbons agreed that the names need to be considered.</p>	<b>Agenda</b>
<b>5</b>	<b>Dates of future meetings and frequency</b>	
	Mr Johnston invited thoughts from the Board on possible dates for future Board meetings. It was agreed this will be discussed at the next Board Meeting.	<b>Agenda</b>
<b>5a</b>	<b>SADA Board Meeting</b>	
	The next SADA Board Meeting will be held on Wednesday 10 <sup>th</sup> November, at The Mill Café, Bonhoga.	
<b>6.0</b>	<b>AOB</b>	
<b>6.1</b>	There was no other business to discuss.	

**CLOSED ITEMS HAVE BEEN REMOVED FROM THIS PUBLIC MINUTE**