

Item	Description	Report	Item taken by	ACTION
1	Welcome, apologies, and declarations of interest		Chair	Note
2	Minutes 27 February 2020		Chair	Approval
3	Finance Management Accounts to 29 February 2020	Attached	KE	Note
4	Head of Creative Opportunities Report	Attached	BP	Note
5	Head of Production Report	Attached	JR	Note
6	Chief Executive Report Board Decisions Operational Issues Key Dates or Trustees Stakeholder Updates Projects Completed Projects Planned	Attached	GH	Approval Note Note Note Note Note
7	Board Recruitment & Training		Chair	Note
8	Any Other Business as agreed by the Chair at the start of the meeting		Chair	
9	Future SADA Board Meetings: Board Meeting Thursday 25 June 2020 – 5.30pm		Chair	

The Board may decide that on grounds of confidentiality particular items should be considered in private. Any such items will be noted in separate “closed” minutes for approval at the next Board meeting

**Minute of Meeting of Shetland Arts Development Agency Board of Trustees,
Thursday 27th February 2020, held at 5.30pm at Mareel Meeting Room, Lerwick**

Present:

Ryan Stevenson (RSt), Chair, Shetland Arts
 Robin Sandison (RS), Trustee, Shetland Arts
 Sophie Whitehead (SW), Vice Chair, Shetland Arts
 Susan Mail (SM), Trustee, Shetland Arts
 Olive Macleod (OM), Trustee, Shetland Arts

In Attendance:

Graeme Howell (GH), Chief Executive, Shetland Arts
 Kerry Eunson (KE), Head of Organisational Support, Shetland Arts
 Bryan Peterson (BP), Head of Creative Opportunities, Shetland Arts
 Jonathan Ritch (JR), Head of Production, Shetland Arts
 Alison Eunson (AE), Administrator, Shetland Arts (Minute Taker)

Apologies:

Lynne McHattie (LM), Trustee, Shetland Arts
 Chris Gadsby (CG), Trustee, Shetland Arts

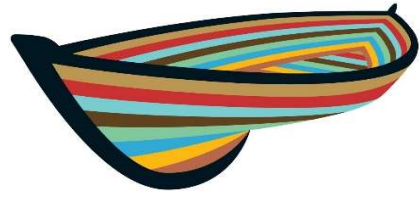
Item	Topic	Action
1.	<p>Welcome, Apologies & Declaration of Interest</p> <p>The Chair welcomed everyone to the meeting.</p>	
2.	<p>Matters Arising</p> <p>The minutes of the last meeting were read and approved by RS and seconded by SW</p>	
3.	<p>Finance</p> <p>KE went through the Management Accounts December 2019 report.</p>	
4.	<p>Head of Creative Opportunities Report</p> <p>BP took the board over his report providing further details noted below.</p> <p>Visual Arts & Crafts maker Awards (VACMA) had 10 applicants. 3 full and 1 partial awards made.</p> <p>Let's Circus will be visiting again in Spring 2020.</p> <p>Wellbeing Groups are going well with sessions taking place around Shetland.</p>	

5.	<p>Head of Production Report</p> <p>JR took the board over the estates report providing further details noted below:</p> <p>Low level lighting in Mareel Auditorium failed, replacement sought to be installed.</p> <p>Cinema Equipment installed – sound quality improved.</p> <p>BMS Re-commission – awaiting report, return visit possible required by engineer.</p>	
6.	<p>Chief Executive Report</p> <p>GH took the board through the Chief Executives report.</p> <p>The board approved the installation of defibrillators by providing a donation to the Lucky2behere charity.</p> <p>The 2020-2021 budget was approved by the board.</p> <p>Cruise Ships – 2 films of Shetland to be made with soundtracks, 1 film with archive footage and 1 film with drone footage. Cd's to be made of the soundtrack will be on sale.</p>	
7.	<p>Board Recruitment & Training</p> <p>LM term ended, reappointed by Board.</p>	
8.	<p>Any Other Business as agreed by Chair at the start of the meeting</p> <p>None.</p>	
9.	<p>Date/time of future meetings</p> <p>The next meeting will be held on Thursday 30th April 2020 at 5.30pm in Mareel.</p>	
	<p>Meeting closed at 6.20pm</p>	

Minute approved:

Ryan Stevenson

Chair, Shetland Arts Development Agency



Shetland *arts*

MANAGEMENT ACCOUNTS
FEBRUARY 2020

Mangement Accounts
Profit & Loss - Year to date v reforecast
11 months to 29 February 2020

	Actual	Re-forecast	Variance
	£	£	£
<u>Income</u>			
Ticket Sales	465,100	458,609	6,491
Education and training income	118,819	116,314	2,505
Retail income	133,027	133,724	(697)
Food and beverage income	491,272	492,927	(1,655)
Foyer income	103,975	102,814	1,161
Box office commission income	5,582	5,413	169
Gallery commission income	4,452	3,812	640
Hire of rooms and equipment income	76,316	79,881	(3,565)
Screen advertising income	19,292	18,789	503
Gift Vouchers	4,281	4,230	51
Sponsorship income	2,550	4,150	(1,600)
Donations received	3,591	2,014	1,577
Grant Funding - Capital	100,641	100,641	0
Grant Funding - SIC	1,835	4,077	(2,242)
Grant Funding - SCT	553,229	553,229	0
Grant Funding - Creative Scotland	231,007	228,446	2,561
Other Grants - Trusts and foundations	36,854	29,927	6,927
Operating lease income - SIC	82,500	82,500	0
Other income	24,824	24,322	502
Memberships received	11,856	10,929	927
	<u>2,471,003</u>	<u>2,456,748</u>	<u>14,255</u>
<u>Purchases</u>			
Food and beverage purchases	174,300	175,928	1,628
Foyer purchases	54,494	53,869	(625)
Retail purchases	74,355	71,407	(2,948)
Direct costs	4,256	4,259	3
	<u>307,405</u>	<u>305,463</u>	<u>(1,942)</u>
<u>Direct Costs</u>			
Gross wages and salaries - regular	783,456	780,264	(3,192)
Gross wages - casual	155,349	160,910	5,561
Employers NI	55,854	57,182	1,328
Employers pension	139,852	139,136	(716)
Recruitment expenses	2,532	2,679	147
Employee expenses	3,542	3,006	(536)
Training and protective clothing	26,229	14,306	(11,923)
Programme costs - project	275,549	279,120	3,571
Marketing costs - project	15,891	16,594	703
Licences - PRS etc	32,918	35,801	2,883
Film transport	679	1,081	402
Hire of equipment	2,569	2,377	(192)
	<u>1,494,420</u>	<u>1,492,456</u>	<u>(1,964)</u>

Overheads

Travel and subsistence and Entertainment	31,611	35,849	4,238
Rent, Rates and Insurance	47,143	47,458	315
Heat and Light	81,012	81,130	118
Operating leases - Rent and Equipment	98,380	99,065	685
Repairs and maintenance and Cleaning	244,021	225,257	(18,764)
Print, postage and stationary	6,335	6,295	(40)
Telephone and broadband	8,830	9,090	260
Computer costs	21,751	22,110	359
Marketing costs - strategic	3,570	1,934	(1,636)
Website costs	1,055	1,138	83
Subscriptions	2,651	2,535	(116)
Consumables	4,942	9,836	4,894
Sundry	29		(29)
Legal and professional fees	22,819	22,920	101
Till differences	61	79	18
Bank charges	20,967	21,638	671
Loan interest	4,298	4,516	218
	<u>599,475</u>	<u>590,850</u>	<u>(8,625)</u>
SURPLUS/DEFICIT	<u>69,703</u>	<u>67,979</u>	<u>1,724</u>

Management Accounts
Balance Sheet
As at 29 February 2020

	£	£
Tangible Fixed Assets		10,311,203
<i>Current Assets</i>		
Stock	45,329	
Debtors	128,487	
Cash at Bank	<u>224,257</u>	
	398,073	
<i>Current Liabilities</i>		
Creditors	<u>479,957</u>	
Net Current Assets		(81,884)
<i>Long term liabilities</i>		
Loans	84,992	
Pensions liability	<u>1,580,000</u>	
		1,664,992
Net Assets		<u><u>8,564,327</u></u>
Capital and Reserves:		
Restricted funds		10,257,350
Unrestricted funds		(113,023)
Pension liability		<u>(1,580,000)</u>
		<u><u>8,564,327</u></u>



Shetland *arts*
HEAD OF CREATIVE
OPPORTUNITIES REPORT

APRIL 2020

INTRODUCTION

This report details the following

- Key Performance Indicators
- Significant projects completed in the reporting period
- Significant projects planned

KEY PERFORMANCE INDICATORS

As Per SCT Funding 19/20	Sep	Oct	Nov	Dec	Jan	Feb
Concerts, Screenings, Exhibition Days	425	360	349	350	262	301
Audience attendances	19,466	11,496	13,042	23,341	8,956	11,634
Development Sessions	258	149	269	167	171	221
Participations	2,827	1,473	1,515	948	713	1,444

Formal Education Delivery	Enrolled to Study at Mareel 19/20		Taught Across the Network 19/20
	Full Time	Part Time	
Vocational Pathway	-	26	-
NC	8	-	-
HNC	3	-	-
Degree	8	1	14
Masters	-	1	6

SIGNIFICANT PROJECTS COMPLETED IN REPORTING PERIOD

Date	Title	Intention	Outcome
March 2020	Progression Printmaking	Upskill printmakers with classes by Linda Richardson	7 participants x2 sessions, new works created
March 2020	Live Event Production Virtual Residency	UHI students from mainland Scotland and Europe taking part in UHI BA module	6 participants studying over intensive 4 day period
Feb 2020	'LOCUS' schools workshops	Engage pupils in the project. Delivered by commissioned artists, Civic Soup	12 sessions, 274 participations
March 2020	Youth Arts and Arts and Wellbeing Q1 blocks complete	Continuation of project	Continued participant engagement with core activities

SIGNIFICANT PROJECTS PLANNED

Short = Next 3 Months; Medium = 3 Months - 1 Year; Long = 1 Year +

Short/ Medium/ Long Term	Title	Intention	April Update
Short	Wellbeing Choir, Craft & Writing (online)	Make existing activity available during lockdown and reach new audiences	First session in April
Short	Youth Groups - Drama & Dance	As above	Ongoing
Long	Creative Labs Online	Develop a sustainable framework for online delivery of short courses	First Labs planned for May
Medium	Education interviews	Recruitment of formal education students	Ongoing



Shetland *arts*
HEAD OF PRODUCTION
REPORT

APRIL 2020

INTRODUCTION

This report details the following

- Health and Safety
- Significant projects completed in the reporting period
- Significant projects planned

HEALTH AND SAFETY

Date	Incident	Action Taken	Future Mitigation
19/02/2020	Circuit tripping in kitchen	Too many appliances on same circuit	Sockets labelled
01/03/2020	DM mobile phone cracked	Replacement requested from ICT	
04/03/2020	Water cooler not cooling	Circuit breaker replaced	
11/03/2020	Revolving door pin broken	Ness Engineering installed new bolt	
25/03/2020	Bonhoga wheelie bins blown over	Bins kept inside for the meantime	Bins to be secured with brackets

SIGNIFICANT PROJECTS COMPLETED IN REPORTING PERIOD

Date	Title	Intention	Outcome
Feb 2020	Boardroom Units	Permanent full-length unit with worktop installed in the Boardroom	Complete
Feb 2020	Door Access System Upgrade	To resolve ongoing issues with maglocks	Computer system currently being upgraded by ADT

SIGNIFICANT PROJECTS PLANNED

Short = Next 3 Months; Medium = 3 Months - 1 Year; Long = 1 Year +

Short/Medium/Long Term	Title	Intention	Apr Update
Short	Outside Tables	To create outside drinking area at Mareel	Tables delivered
Short	Painting Schedule	To put together a strategic schedule for redecorating in Mareel	Sub-contractors to be invited to tender
Short	Auditorium Rear Bar	To install motorised rear bar in Mareel Auditorium and improve rigging options for projector	Rigging materials delivered
Medium	Garrison External Works	To address all Category 2 defects as noted on condition survey	Works ongoing
Medium	Food Prep Cooling	Install appropriate cooling system in Food Prep area at Mareel	Options being explored, projected install date April 2020



Shetland *arts*
CHIEF EXECUTIVE
REPORT

April 2020

INTRODUCTION

This report details the following

- Any Board decisions required
- Operational Issues from the last reporting period
- Key Dates for Trustees
- Stakeholder Updates
- Significant projects completed in the reporting period
- Significant projects planned

BOARD DECISIONS

Issue	Supporting Papers	Recommendation
2020 - 21 Budget - Revised	Budget Report 2020 - 21	Approve

OPERATIONAL ISSUES

Issue	Mitigation
Covid 19	Buildings Closed Staff Furloughed Support applied for
SADA promoted events canceled till end of July	Dates being rescheduled where possible
External promoters canceled till end of June	Dates being rescheduled where possible
Formal education activity	Moved fully online
Workshop program/youth arts	moved online where possible
Wordplay/Screenplay 2020 cancelled	Shetland Unlocked announced

KEY DATES FOR TRUSTEES

Date	Title	Venue

STAKEHOLDER UPDATES

Creative Scotland	Support from CS has been clear and consistent, good level of communication with our lead officer. Supportive of Shetland Unlocked
Shetland Charitable Trust	Additional funding scheme postponed. Good level of dialogue re Covid 19
Highlands and Islands Enterprise	Good two way dialogue
Shetlands Islands Council	Secured £25K through Covid Business Support Scheme, good level of dialogue
Event Scotland	Considering supporting Shetland Unlocked
Third Sector Resilience Fund	Application made to support Mareel Overheads
BFI Film Exhibitors Fund	Application being considered. Dependent upon outcome of other applications
Wellbeing Fund to support activity during current pandemic	Application being developed in partnership with SIC and MYH

SIGNIFICANT PROJECTS PLANNED

Short = Next 3 Months; Medium = 3 Months - 1 Year; Long = 1 Year +

Short/Medium/Long Term	Title	Intention	April Update
Short	Future of the Garrison	Secure a sustainable future for The Garrison Theatre	Ongoing
Short	Voices for Equity	Deliver end of project art material	Piece Commissioned
Medium	The Lens	To develop an innovation culture in SADA in partnership with SRT and SAT	Six projects progressed to next round
Medium	Vision, Mission, Values	Review and update	See Development Strategy 2020 - Due to be updated in light of current situation
Medium	Work Plan 2021 - 2024	Review and update work plan so that we are able to respond to potential new strategic direction from stakeholders	See Development Strategy 2020 - Due to be updated in light of current situation
Medium	Organisation Structure	Review organisation structure in line with work plan	See Development Strategy 2020 - Due to be updated in light of current situation
Medium	Locus	Successful delivery	Artists recruited and visits have begun
Medium	Supervisor Training with People Matters	To ensure all supervisors have management and leadership training	First Cohort delivered, consideration being given as to how to progress
Long	Islands Deal	Ensure CI is delivered in Islands Deal	Workshops Scheduled for end of March - Canceled

Introduction

This paper will provide details on the draft budget for SADA for the year to 31 March 2021 attached as Appendix 1. The budgeted deficit for the year is £24,613.

It was felt due to the significant impact of COVID-19 on the budget for 2020/21 already approved by the board that an updated budget with the impact and mitigations in place be presented to the board for approval.

Budget Detail

The changes made to the budget in light of COVID-19 are:

- Income from the commercial areas of the organisation have been removed until July 2020. Assuming we open in July income is assumed to be 50% of normal in July and August, 75% September - November returning to 100% in December 2020 for the remainder of the year.
- The costs for the commercial areas have also been removed to July 2020 except for staffing costs which will be 80% covered by the job retention scheme. While income is at 50% we predict the use of no casual staff and only 50% of the usual casual staff when income is at 75%.
- Income of £163,292 has been included from the Job Retention Scheme assuming it is extended to June if we only reopen in July.
- The £25,000 grant from our successful application to the Coronavirus Business Support Scheme has been added.
- The staff costs have been reduced by £13,500 based on the payrise approved by the board in February being delayed to October 2020. The living wage pay increase has also been delayed until such time we reopen as the Job Retention Scheme only covers wages at February 2020 rates. We have informed the Living Wage Foundation and are waiting on a decision from them on our Living Wage Accreditation. They are considering their position as a number of employers are in the same position.
- The programme budgets for Music and Theatre have been reduced by £5,000 each. For music this takes the total for the year in line with what was spent for 2019/20 and for Theatre this takes out a portion of the funding set aside for the planned Circus visit which will now not take place.
- The training budget for the year was reduced by £5,000.
- There was £10,000 included in the prior budget for painting works at Mareel this has been reduced to £5,000 for the year.

Mitigating Measure

In order to improve the position and to help the cash flow position a funding application for £50,000 has been submitted to the Third Sector Resilience fund. The result of this application should be known within 10 days.

Other pots of funding are becoming available and will be applied for as appropriate.

Scenario Testing

While completing the updated budget we also planned to look at three scenarios as requested by the Chair.

Scenario 1 - Opening delayed to 1 September 2020

Scenario 2 - Open July as planned but income only gets to 75% for the year.

Scenario 3 - Both 1 and 3 occur

When we did the work for scenario 1 we found that the deficit would actually reduce slightly to £24,613. This is due to the costs of remaining closed not being significant each month and being covered by existing funding. Due to this small variance scenario 3 was not completed as the result would be similar to scenario 2.

The work for scenario 2 shows a deficit of £55,022 for the year. Income not recovering is a greater risk to the organisation than remaining closed. This is due to the loss of support from the Job Retention Scheme causing the organisation to cover all staff costs.

Decision Required

The board is asked to approve the budget for 2020-21 as shown on the following pages.

Shetland Arts Development Agency					
Detailed Budgets					
Year ended 31 March 2021					
	Budget	Budget			
	2020/21	2019/20	Change		
<u>Income</u>					
Ticket Sales	413,549.98	552,753.67	(139,203.69)	-25.18%	
Education and training income	130,000.00	135,000.00	(5,000.00)	-3.70%	
Retail income	18,533.40	105,487.00	(86,953.60)	-82.43%	
Food and beverage income	343,846.36	553,072.00	(209,225.64)	-37.83%	
Foyer income	69,578.89	120,256.00	(50,677.11)	-42.14%	
Box office commission income	3,825.00	15,000.00	(11,175.00)	-74.50%	
Gallery commission income	51,676.61	3,525.00	48,151.61	1366.00%	
Hire of rooms and equipment income	54,179.18	91,652.50	(37,473.32)	-40.89%	
Screen advertising income	11,250.00	14,000.00	(2,750.00)	-19.64%	
Sponsorship income	10,940.00	6,850.00	4,090.00	59.71%	
Donations received	0.00	600.00	(600.00)	-100.00%	
Grant Funding - SIC	28,522.00	8,044.00	20,478.00	254.57%	
Grant Funding - SCT	603,522.00	603,522.00	0.00	0.00%	
Grant Funding - Creative Scotland	256,000.00	262,000.00	(6,000.00)	-2.29%	
Other Grants - Trusts and foundations	79,950.00	93,550.01	(13,600.01)	-14.54%	
Operating lease income - SIC	90,000.00	90,000.00	0.00	0.00%	
Other income	217,687.88	12,860.00	204,827.88	1592.75%	
Memberships received	5,625.00	7,500.00	(1,875.00)	-25.00%	
	<u>2,388,686.30</u>	<u>2,675,672.18</u>	<u>(286,985.88)</u>	<u>-10.73%</u>	
<u>Purchases</u>					
Food and beverage purchases	133,340.07	193,902.97	(60,562.90)	-31.23%	
Foyer purchases	35,678.78	59,978.00	(24,299.22)	-40.51%	
Retail purchases	38,666.58	59,300.00	(20,633.42)	-34.79%	
Direct costs	0.00	500.00	(500.00)	-100.00%	
	<u>207,685.43</u>	<u>313,680.97</u>	<u>(105,995.54)</u>	<u>-33.79%</u>	
<u>Direct Costs</u>					
Gross wages and salaries - regular	889,310.55	850,250.03	39,060.52	4.59%	
Gross wages - casual	117,981.74	205,998.81	(88,017.07)	-42.73%	
Employers NI	71,070.16	64,367.87	6,702.29	10.41%	

Employers pension	157,684.06	157,153.13	530.93	0.34%
Recruitment expenses	2,750.00	3,500.00	(750.00)	-21.43%
Trustee expenses	1,000.00	1,000.00	0.00	0.00%
Training costs	12,500.00	8,500.00	4,000.00	47.06%
Protective clothing	0.00	0.00	0.00	0.00%
Programme costs - project	316,521.12	381,877.68	(65,356.56)	-17.11%
Marketing costs - project	12,050.00	26,950.00	(14,900.00)	-55.29%
Licences - PRS etc	36,891.47	37,302.82	(411.35)	-1.10%
Film transport	1,500.00	2,000.00	(500.00)	-25.00%
Hire of equipment	0.00	1,950.00	(1,950.00)	-100.00%
	<u>1,619,259.11</u>	<u>1,740,850.34</u>	<u>(121,591.23)</u>	-6.98%
<u>Overheads</u>				
Travel and subsistence	76,265.02	61,082.00	15,183.02	24.86%
Motor expenses	300.00	978.00	(678.00)	0.00%
Rent	2,960.00	3,155.00	(195.00)	0.00%
Rates	16,629.00	18,204.00	(1,575.00)	-8.65%
Insurance	35,081.25	34,101.25	980.00	2.87%
Heat and Light	91,088.30	98,609.52	(7,521.22)	-7.63%
Operating leases - Rent	90,000.00	90,000.00	0.00	0.00%
Operating leases - Equipment	16,800.00	15,471.92	1,328.08	8.58%
Repairs and maintenance	59,531.59	61,369.47	(1,837.88)	-2.99%
Equipment purchases < £500	12,023.82	11,192.46	831.36	7.43%
Equipment purchases > £500	19,460.00	15,719.37	3,740.63	23.80%
Cleaning	48,548.60	63,214.80	(14,666.20)	-23.20%
Print, postage and stationary	5,875.00	5,100.00	775.00	15.20%
Telephone and broadband	3,725.00	4,205.00	(480.00)	-11.41%
Computer costs	29,294.82	30,736.85	(1,442.03)	-4.69%
Marketing costs - strategic	4,125.00	3,350.00	775.00	23.13%
Website costs	2,625.00	4,500.00	(1,875.00)	-41.67%
Subscriptions	1,605.20	2,763.20	(1,158.00)	-41.91%
Consumables	12,928.00	16,575.00	(3,647.00)	-22.00%
Sundry	0.00	0.00	0.00	0.00%
Legal and professional fees	23,050.00	19,550.00	3,500.00	17.90%
Audit Fees	10,000.00	8,500.00	1,500.00	17.65%
Bank charges	19,940.00	21,240.00	(1,300.00)	-6.12%
Loan interest	4,500.00	6,000.00	(1,500.00)	-25.00%
	<u>586,355.60</u>	<u>595,617.84</u>	<u>(9,262.24)</u>	-1.56%
TOTAL COSTS	2,413,300.14	2,650,149.15		

SURPLUS/DEFICIT	(24,613.84)		25,523.03		(50,136.87)	-196.44%