

Shetland Arts Development Agency
Board of Trustees Meeting
Thursday 25 March 2025 at 5.40pm
Venue: Mareel/Teams



Item	Description	Report	Item taken by	Action
1	Welcome and apologies		Chair	Note
2	Declarations of interest		Chair	Note
3	Minutes 27 February 2025		Chair	Approval
4	Scrutiny 4.1 Budget 2025/26	Attached	KLL	Approval
5	Any other business None			
6	Future SADA Board Meetings: Board Meeting Thursday 24 th April 2025 – 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

Minutes of the Open Meeting of Shetland Arts Development Agency, Thursday 27 February 2025, held at 5.30 p.m. in Mareel

Present:

Susan Mail (CG), Shetland Arts (via VC)
 Jamie Manson (JM), Shetland Arts (via VC)
 Hannah Hough (HH), Shetland Arts
 Malcolm Innes (MI), Shetland Arts
 Michele Kerry (MK), Shetland Arts
 James Johnson (JJ), Shetland Arts
 Catriona Macdonald (CM), Shetland Arts

In Attendance:

Graeme Howell (GH), Chief Executive, Shetland Arts
 Kerry Llewellyn (KLL), Support Lead, Shetland Arts
 Catrina Carter (CC), minute taker

Apologies:

Chris Gadsby (CG), Shetland Arts
 Kerry Larbalestier (KL), Shetland Arts

Item	Topic	Action
3	Minutes of Meeting held on 19 December 2024 The minutes were approved on the motion of JJ, seconded by HH. <u>Matters Arising:</u> None.	
4.1	Management Accounts to end December 2024 Noted. Answering MI's query, KLL confirmed that the reason for increased Telephone Broadband costs was the work required for the copper switchoff.	
4.2	Operational Issues Noted.	
4.3	Performance Monitoring <u>Formal Education Delivery</u> – there was some discussion on the need for KPIs under this heading. It was agreed that this should be reported on at the December meeting in future and include previous year figures as a comparison.	KLL
4.4	Major Projects <u>Changing Places</u> – Still not out to contract as still receiving very detailed queries from architects.	

	<p><u>Creative Shetland Commissioning Fund</u> – GH explained 2 x projects had been rejected to not being Shetland projects. Another 3-4 projects that they would have liked to have funded. Thought needs to be given going forward as there was no resources available to provide feedback to applicants. With 39 applicants, this would have been very resource heavy. There had been an impressive number of applications but a number contained the same team, perhaps doing different roles.</p> <p>CM stated that there was only a certain amount of new things coming forward and wondered if assistance could be given to more people to class themselves as creatives. GH confirmed that this was something that was being worked on. There had been a number of successful of applications from staff. There was a process to manage this but it was not surprising.</p> <p>CC left the meeting and KLL took over minute taking.</p>	
4.5	<p>Budget 2025/26</p> <p>The full budget will be approved at the next meeting however GH asked if the board had any questions at this point.</p> <p>MI asked about the additional income target for education and how it will be achieved? GH explained it was added as income but will most likely be found through cost savings.</p> <p>JJ asked about the 33% increase in trading income. GH explained this is based on the movement on what we have seen and a commitment to increasing prices. GH added that the organisation will try to keep accessible options but not around alcohol.</p> <p>JJ asked about the hire or rooms an equipment increase. KLL explained that the result in year had been significantly higher than budget due to the TSB agreement and other hires so the base line was higher than in the budget.</p> <p>JJ asked why other income was higher? KLL explained this was the addition of Shetland Recreational Trust also paying for finance support.</p> <p>MI asked about box office commission income as it was the same as last years budget however ticket income is down? GH explained that ticket fees were being reviewed and a change would be made to allow this target to be reached.</p> <p>MI asked about the large increase in NIC contributions. KLL explained that the rate paid is increasing to 15% from 13.8% whilst the annual allowance where none is paid is reducing from £9,100 per employee to £5,000.</p>	

	MK left the meeting at 19:01	
5.1	<p>Policies</p> <p><u>Social Media</u> GH explained that there had been no changes except for a job title amendment.</p> <p>SM asked how often its signed. KLL explained staff sign this when they start employment and it would be re issued if a significant change was made.</p> <p>Unanimously pproved</p> <p><u>Children, Young and Vulnerable Adults Policy</u> GH explained a substantial review was undertaken of this policy. More changes are coming but have not been implemented.</p> <p>The following changes were requested by Trustees: 1.1 – should read Shetland Arts 4.8 – should read “identical images” Section 5 – remove repeated language</p> <p>Unanimously approved subject to the changes noted.</p> <p><u>Adoption, Maternity & Paternity Policy</u> GH explained that HH had kindly reviewed the policy and made some amendments.</p> <p>HH added that she now felt the policy was clearer.</p> <p>The policy was unanimously approved.</p> <p><u>Training & Trips Policy</u> There were no comments or queries. This policy was unanimously approved.</p> <p><u>Health & Safety policy</u> KLL explained this policy will be emailed to Trustees for everyone’s comments which will then be sent to WorkNest for input.</p>	
5.2	<p>Strategic Risks GH explained that there was no recommended change to the Climate Change strategic risk. GH explained he had included the CS feedback on this area in his report and explained he has asked CS what they would expected.</p> <p>The approved approved that no change was required to this risk.</p>	
5.3	Capitalisation Limit Increase	

	<p>GH explained that the capitalisation limit has been £500 for some time.</p> <p>JM asked if SADA aggregated purchases. KLL explained that this was the case currently.</p> <p>JJ queried if the limit should be increased further higher number? GH explained it was felt £2,000 was appropriate for the size of the organisation.</p> <p>The increase in limit was unanimously approved.</p>	
6.1	<p>Update from Stakeholders</p> <p>GH took this paper as read and there were no questions.</p>	
7.1	<p>Key Upcoming Events</p> <p>GH took this paper as read and there were no questions.</p>	
8	<p>Any Other Business</p> <p>GH informed the board that in 2021 Time Out released a top 50 most beautiful cinemas in the world. Mareel was 26th in this list. A new version has been released which now has Mareel 24th.</p>	
9	<p>Date of Next Meeting</p> <p>The next board meeting will be held on Tuesday 25th March 2025.</p>	

4.1 Budget 2025/26

March 2025



INTRODUCTION

This report sets out the proposed budget for Shetland Arts for the financial year ended 31 March 2026. The proposed budget is set out in Appendix 1 and shows a projected surplus of £430. There is restricted expenditure of £50,000 included in this budget for funds already received. This means overall there is a deficit on restricted funds of £50,000 and a surplus on unrestricted funds of £50,430.

KEY CHANGES

The key change made to the proposed budget since it was last presented to the board at the February board meeting are as follows:

- Staff costs have been updated to reflect the updated restructure proposed by the Chief Executive. To support the cost of change in relation to the restructure, restricted funds from the Recovery Fund for Cultural Organisations will be used. This maintains an acceptable surplus in unrestricted funds.

Appendix 1 – Proposed Budget 2025/26

	Budget 2025/26	Budget 2024/25	Change	
<u>Income</u>				
Ticket Sales	342,760.00	387,083.87	(44,323.87)	-11.45%
Education and training income	121,000.00	89,200.00	31,800.00	35.65%
Retail income	40,240.00	31,240.00	9,000.00	28.81%
Food and beverage income	400,000.00	300,000.00	100,000.00	33.33%
Foyer income	102,000.00	88,000.00	14,000.00	15.91%
Box office commission income	50,000.00	49,500.00	500.00	1.01%
Gallery commission income	0.00	0.00	0.00	-
Hire of rooms and equipment income	104,383.33	67,483.33	36,900.00	54.68%
Screen advertising income	15,000.00	15,000.00	0.00	0.00%
Sponsorship income	0.00	0.00	0.00	-
Donations received	1,536.00	1,536.00	0.00	0.00%
Grant Funding - SIC	1,815.00	21,591.73	(19,776.73)	-91.59%
Grant Funding - SCT	1,050,000.00	752,400.00	297,600.00	39.55%
Grant Funding - Creative Scotland	361,535.50	263,335.50	98,200.00	37.29%
Other Grants - Trusts and foundations	20,000.00	19,776.73	223.27	1.13%
Operating lease income - SIC	132,457.00	132,457.00	0.00	0.00%
Other income	118,000.00	70,050.00	47,950.00	68.45%
Memberships received	20,000.00	0.00	20,000.00	-
Internal recharges	(100.00)	(100.00)	0.00	0.00%
	<u>2,880,626.83</u>	<u>2,288,554.16</u>	<u>592,072.67</u>	<u>25.87%</u>
<u>Purchases</u>				
Food and beverage purchases	180,000.00	150,000.00	30,000.00	20.00%
Foyer purchases	53,040.00	45,760.00	7,280.00	15.91%
Retail purchases	22,435.20	17,035.20	5,400.00	31.70%
	<u>255,475.20</u>	<u>212,795.20</u>	<u>42,680.00</u>	<u>20.06%</u>

	Budget	Budget		
	2025/26	2024/25	Change	
<u>Direct Costs</u>				
Gross wages and salaries - regular	1,078,951.73	756,365.02	322,586.71	42.65%
Gross wages - casual	65,055.24	126,880.00	(61,824.76)	-48.73%
Employers NI	117,442.23	67,899.40	49,542.83	72.97%
Employers pension	228,167.20	164,226.79	63,940.41	38.93%
Recruitment expenses	3,300.00	3,000.00	300.00	10.00%
Trustee expenses	1,000.00	1,000.00	0.00	0.00%
Training costs	20,000.00	13,500.00	6,500.00	48.15%
Programme costs - project	318,907.50	217,720.13	101,187.37	46.48%
Marketing costs - project	19,425.00	18,250.00	1,175.00	6.44%
Licences - PRS etc	68,243.50	56,767.63	11,475.87	20.22%
Film transport	2,000.00	2,000.00	0.00	0.00%
Hire of equipment	0.00	150.00	(150.00)	-100.00%
	1,922,492.40	1,427,758.97	494,733.43	34.65%
<u>Overheads</u>				
Travel and subsistence	29,475.00	15,685.00	13,790.00	87.92%
Entertainment	2,430.00	2,430.00	0.00	0.00%
Rates	18,625.00	20,205.00	(1,580.00)	-7.82%
Insurance	80,650.00	59,511.27	21,138.73	35.52%
Heat and Light	164,348.15	148,964.70	15,383.45	10.33%
Operating leases - Rent	132,457.00	132,457.00	0.00	0.00%
Operating leases - Equipment	16,800.00	20,177.28	(3,377.28)	-16.74%
Repairs and maintenance	59,816.96	67,245.17	(7,428.21)	-11.05%
Equipment purchases < £500	7,000.00	11,760.00	(4,760.00)	-40.48%
Equipment purchases > £500	9,760.00	0.00	9,760.00	-
Cleaning	57,274.00	52,457.00	4,817.00	9.18%
Print, postage and stationary	5,100.00	4,600.00	500.00	10.87%
Telephone and broadband	8,615.00	8,615.00	0.00	0.00%
Computer costs	23,050.00	26,615.20	(3,565.20)	-13.40%
Marketing costs - strategic	275.00	3,250.00	(2,975.00)	-91.54%
Website costs	2,750.00	0.00	2,750.00	-
Subscriptions	1,738.00	1,650.20	87.80	5.32%
Consumables	12,345.00	7,575.00	4,770.00	62.97%
Legal and professional fees	26,980.08	36,575.00	(9,594.92)	-26.23%
Audit Fees	13,000.00	11,000.00	2,000.00	18.18%
Bank charges	23,740.00	19,668.00	4,072.00	20.70%
Loan interest	6,000.00	6,000.00	0.00	0.00%
	702,229.19	656,440.82	45,788.37	6.98%
TOTAL COSTS	2,880,196.79	2,296,994.99		
SURPLUS/DEFICIT	430.05	(8,440.83)	8,870.88	