

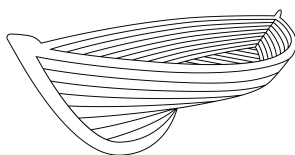
Shetland Arts Development Agency
Board of Trustees Meeting
Saturday 10th March 2012 at 10am (Followed by lunch)
Venue: Toll Clock Centre, Lerwick

Shetland arts

Item	Description	Report	Item taken by	ACTION
1	Welcome, apologies and declaration of interest	Verbal	Chair	Note
2	Minutes of last meeting			
2a	Approval of Board Minute for accuracy – meeting of the 16/12/11	Attached	Chair	Approval
2b	Matters arising that don't appear within the agenda	Verbal	Chair	Discussion
3	Finance and Management			
3a	Management Accounts	Attached	Director	Note/ Decision
3b	Directors travel update	Attached	Director	Note/ discussion
3c	Business Plan 2012-2015	Attached	Director	Discussion
3d	Board re appointment of Trustee: Action of Recommendation 3 of report presented to the Board 10 November 2011	Attached	Vice chair	Approval
	Large Scale Project Updates			
4	Mareel Project			
4a	Construction update	Verbal update following meeting of the 2 Feb 2011	Director	Note
4b	Operational update	Verbal update	Director	Note
5	Any Other Business as agreed by the Chair at the start of the meeting		Chair	
6	Dates of future meetings			
6a	SADA Board Meeting:	Forward Board Plan Attached	Chair	Confirm dates and venues for future meetings

CLOSED ITEMS

A	Mareel cost report	Verbal	Director	Note
B	Phased early retirement request	Verbal	Director	Approval
C	Approval of Special Mareel Board Meeting minute of 02/02/2012	Attached	Chair	Approval
D	Adverse media coverage	Verbal	Chair	Discussion



Shetland *arts*

To: Board of Trustees – Shetland Arts

10 March 2012

From: Head of Finance and Administration, Shetland Arts

Finance Report

INTRODUCTION

The Finance Sub Group has gone through the December Management Accounts in details, and these figures and notes are available for all Trustees to review. To make sense of what they means it is useful to look at what we anticipate our year-end position to be. Currently, we estimate that both Income & Expenditure will be lower than we budgeted for in 2011/12. Please see below a summary of these projected figures to illustrate this.

INCOME

Total income is projected to be £174,949 less than we budgeted for. The main reason for this are listed below;

Mareel Delays

Income will be £138,769 lower than we had budgeted for the year, as a direct result of the delay in Mareel's opening. This is a combination of estimated Box Office Income (£29,430) and Ancillary Earned Income (£39,899) projected for March 2012 and also the agreed additional £150,000 funding from Creative Scotland to help with Initial Programming costs and the conversion of office space upstairs in Mareel. As these costs will now take place in 2012/13, the funding will also move into that year.

Respective costs for Mareel operations, where possible have also been delayed until 2012/13, however, the every changing expectation of an opening date for the building has meant that we have already expended resources in marketing, website development and staffing costs. Although, not yet reflected in the December Management Accounts, Shetland Charitable Trust has given us the £100,000 deficit funding agreed by their Trustees, to cover these set-up costs. This funding was received by us in January 2012.

Ignition Project

Our overall income is also reduced due to the fact the Ignition project, which we had hoped would be well underway during 2011/12, has suffered some delay. We are now on our way to completing the funding package, but had budgeted for £57,750 income in 2011/12, through a combination of Business Sponsorship & other funding, which will not be received before 31 March 2012. Minimal cost has been expended in this year in relation to the project.

EXPENDITURE

Total expenditure is projected to be £289,582 less than we budgeted for. The main reasons for this are listed below;

Staffing Costs

We are projecting an under spend on staffing costs of £76,891, broken down under the following headings;

Arts Development – £4,709 under spend, mainly due to a projected reduction in hours used by our Traditional Dance instructor.

Mareel Operations - £56,163 under spend due to delaying recruitment of staffing in light of construction delays.

Garrison Theatre - £5,975 under spend on zero-hours staffing, based of current spend-to-date, and expectations for events in final quarter.

Weisdale Mill - £5,653 over spend. This is due partly to a member of staff being off sick for an extended period, but also a reflection of a higher level of activity at the Mill, resulting in more part-time staff cover being required.

Admin/Management – under spend of £14,003, due to the non-recruitment of a Head of Programming, and some savings in the training/expenses budgets.

Westside Cluster – under spend of £1,694 in projected early retirement costs.

Project Costs

Expenditure under the headings “Programme”, “Marketing”, “Education”, Project Overheads” and “Other Expenses”, relate mainly to Project related expenditure. We are currently projecting an overall under spend on these headings of £108,534.

Art Development – projected under spend of £55K. Most of the Projects are dealt with by our Development team, but there are always changes during the year in which projects actually go ahead and sometime the need to revise budgets if funding can not be found, or additional funding sources are identified. The significant change to note under Arts Development is that the Ignition Project will not take place this year, and our budget incorporated estimated expenditure of £50K in this respect for 2011/12.

Mareel Operations - an under spend in the region of £60K in Programming & Marketing costs, due to the delay in the construction of the building

Marketing (Strategic Costs)

We had hoped to reduce our Strategic Marketing expenditure to £7,500 this year, as a cost saving measure. This has not been achieved with our spending to December 2011 being £12,537. There should be no further major spending under this heading before the year-end, so it should not breach the budget of £15K, which was previously set for this cost.

General Overheads

General Overheads are projected to come in at £111,657 under budget. The main areas to note here are;

Mareel Operations - we are projecting an under spend of £120K due to the construction delays

Westside Cluster – we are projecting an over spend of £14K here due to the cost of the roof repairs not included in our original budgets.

Additional Funding Request

A request was made to the February meeting of Shetland Charitable to provide us with one-off additional funding of £36,180. This is the meeting at which the 3-year funding applications for 2012-

2015 will go forward to their Trustees also. The report explains that we are requesting one-off funding in 2011/12 due to restructuring which will ensure we can live within the 3-year stand still budget proposed. Both the additional sum and the 3 year funding was approved at the meeting.

Summary

Currently we are projecting a surplus of £19,839. It is impossible to predict our final year-end position accurately at this point. However, given the delays in Mareel construction and various other changes to our projects/operations during the year, it is reassuring to note that we are still roughly on target to meet our budgets at this stage.

Sheila Duncan
Head of Finance and Administration
February 2012

Appendix 1: Estimated Results Year Ended 31 March 2012
Appendix 2: Management Accounts until End of January 2012

Shetland Arts Development Agency
Estimated Results for Year-Ended 31 March 2012

	Actual 9 months to 31-Dec-2011 £	Estimated 1-Jan-2012 to 31-Mar 2012 £	Estimated Results for Year-ended 31-Mar-2012 £	Budgeted Results for Year-Ended 31-Mar-2012 £	Variance £
INCOME					
Box Office	102,712	58,360	161,072	184,680	-23,608
Ancillary Earned Income	186,725	33,324	220,049	223,052	-3,003
Other Earned Income	2,172	0	2,172	1,000	1,172
Business Sponsorship	3,300	0	3,300	35,200	-31,900
Donations, Trusts, etc	1,909	-1000	909	21,091	-20,182
Revenue Funding Creative Scotland	156,803	0	156,803	156,803	0
Project Funding Creative Scotland	92,260	40,400	132,660	340,050	-207,390
Local Authority Project Funding (SIC)	3,004	210	3,214	10,019	-6,805
Other Public Funding	6,867	53,020	59,887	43,120	16,767
SCT Funding	721,592	125,554	883,326	747,146	136,180
TOTAL INCOME	1,277,344	309,868	1,587,212	1,762,161	-138,769
EXPENDITURE					
All Staff Costs	654,800	211,391	866,191	943,082	76,891
Programme	192,097	121,930	314,027	333,479	19,452
Marketing	13,167	1,100	14,267	39,738	25,471
Education	34,522	0	34,522	103,232	68,710
Project Overheads	6,296	0	6,296	2,000	-4,296
Other Expenses	803	0	803	0	-803
Marketing (Strategic Costs)	12,537	2,463	15,000	7,500	-7,500
General Overheads	186,715	165,732	352,447	464,104	111,657
TOTAL EXPENDITURE	1,100,937	502,616	1,603,553	1,893,135	289,582
NET SURPLUS/(DEFICIT)	176,407	-192,748	19,839	-130,974	

Agenda item 3a: Appendix 2 Management Accounts January 2012
SADA Board Meeting 10 March 2012

**Shetland Arts Development Agency
Management Accounts By Department
For Period Ended 31 January 2012**

All Departments (exc Mareel capital)

Income

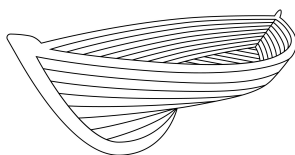
	Actual Year-to-date £	Budget Year-to-date £	(Over)/ Underspend £	Annual Budget £
Box Office	109,906	125,060	-15,154	184,680
Ancillary Earned Income	193,499	166,089	27,410	223,052
Other Earned Income	2,354	1,000	1,354	1,000
Business Sponsorship	3,300	5,200	-1,900	35,200
Donations, Trusts, etc	1,909	1,091	818	21,091
Revenue Creative Scotland	156,803	156,803	0	156,803
Project Funding Creative Scotland	112,260	248,050	-135,790	340,050
Local Authority Project Funding (SIC)	3,214	10,019	-6,805	10,019
Other Public Funding	6,867	39,220	-32,353	43,120
SCT Core Funding	821,592	721,592	100,000	747,146
	1,411,704	1,474,124	-62,420	1,762,161

Expenditure

All Staff Costs	717,025	755,089	38,064	943,082
Programme	207,893	269,567	61,674	333,479
Marketing	19,722	28,075	8,353	39,738
Education	40,922	91,232	50,310	103,232
Project Overheads	6,972	1,500	-5,472	2,000
Other Expenses	897	0	-897	0
Marketing (Strategic costs)	14,135	6,250	-7,885	7,500
General Overheads	218,258	279,221	60,963	464,104
	1,225,824	1,430,934	205,110	1,893,135
Net Surplus/(Deficit)	185,880	43,190	-142,690	-130,974

Full details of income and expenditure behind the above figures is available on Basecamp in the Trustee Finance Sub Group Area:

<https://shetlandarts.basecampHQ.com/projects/5134170-trustee-finance-sub-group-area/log>



Shetland *arts*

To: Board of Trustees – Shetland Arts

10 March 2012

From: Director, Shetland Arts

1. Trips undertaken off island by the Director since last Board Meeting (16 December 2011)

When	Where	Why
12/01/12 – 13/01/12	Edinburgh/ Glasgow	Lead Officer meeting with David Taylor Mareel Meeting - GHA
27/02/12 – 28/02/12	Glasgow/ Edinburgh	GHA Meeting Film location meeting

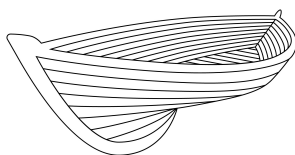
The Director was on Annual Leave from 13 February 2012 – 21 February 2012

2. Director planned off island trips

When	Where	Why
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.

3. Recommendations

1. The Board are asked to note the above report



Shetland*arts*

To: Board of Trustees – Shetland Arts

10 November 2011

From: Director, Shetland Arts

Appointment of Trustees and Trustee period of office

Background

On Tuesday 25 October 2011 the Board attended a Governance Training Seminar led by consultant Lorne Macleod in which Trustees were given an update on the roles and responsibilities of Trustees and explored current and future governance structures.

During the seminar Trustees revisited the current Trust Deed and the Annexed Schedule that sets out the periods of appointment of Trustees and appointment processes. The current Trustees respective dates of appointment are as follows:

James Johnston Appointed April 2006

James Sinclair Appointed October 2006

Robina Barton Appointed September 2008

Mark Burgess Appointed September 2008

John Goodlad Appointed September 2008

John Dally Appointed December 2009

Joyce Davies Appointed December 2009

Leslie Lowes Appointed December 2009

Danus Skene Appointed December 2010

Silke Reeploeg Appointed December 2010

Irvine Tait Appointed February 2011

There are some points for the Board to consider in relation to the above appointment dates and the Annexed Schedule to the Trustee Deed:

1. The Schedule stipulates that Trustees serve a 3 year term with an option of re appointment for a further 3 years followed by a minimum gap of 3 years. There is one exception in that Jim Johnston as the only remaining 'Initial Trustee' has a longer 1st term that takes him to 31 March 2012.

This means that as of September 2011 there are three Trustees that need to be re appointed to continue as Trustees given their first 3 year term has now reached an end. The three Trustees are: Robina Barton, Mark Burgess and John Goodlad

2. Although there was discussion regards regard length of term of Trustees in 2009, no record exists of formal reappointment of James Sinclair as a Trustee to serve a 2nd 3 year term.

3. With regard to Jim Johnston special provision in made in the Schedule to support continuity and phase retirement of the initial group of Trustees. As such there was no requirement to reappoint Mr Johnston for a second term after 3 years. The Trustee Deed Annexed Schedule (Item 3) states:

“Each of the Initial Trustees shall hold the office of Trustee for a minimum period of four years. Three of the Initial Trustees will retire on the 31st March 2010, three on the 31st March 2011 with the remaining Initial Trustees retiring on 31st March 2012. Thereafter, Trustees will retire on the third anniversary of their appointment. The first Trustee to demit office shall be chosen by agreement which failing will be drawn by lot and similar provisions will apply until each Initial Trustee has demitted office”.

Further item 5. of the Annexed Schedule states:

“Apart from the Initial Trustees, a new trustee shall hold office for a period of three years with power to be re-appointed for a further period of three years. In the event of appointment for a further three years, such trustee will not be eligible for appointment for a period of three years thereafter”.

The Schedule does not explicitly state that ‘Initial Trustees’ cannot be reappointed after serving their initial term should they wish to stand. Item 5 also explicitly excludes ‘Initial Trustees’ from the clause requiring Trustees to not serve more than two 3 year terms without a 3 year gap. It can therefore be inferred from both these clauses that Jim Johnston as the only remaining ‘Initial Trustee’ is permitted to be reappointed for a 3 year term on 31 March 2012.

Proposal

The Board seek to maintain continuity of Board leadership and Members through the next 18 month period of significant change and growth, utilising provisions in the Trust Deed and its Annexed Schedule.

Recommendation

1. The Board in the interests of good administration formalise the appointment of James Sinclair for a second term ending October 2012
2. The Board invite Robina Barton, Mark Burgess and John Goodlad for appointment for a second term ending September 2014, and subject to their agreement approve their appointment.
3. The Board note the requirement should the Board desire to invite Jim Johnston prior to the 31 March 2012 to stand for a second term of appointment ending 31 March 2015.
4. The Board to note that only the following Trustees can vote on these recommendations and the need for at least six of the Trustees below to be present at the meeting: Irvine Tait, John Dally, Les Lowes, Danus Skene, Joyce Davies, Jim Johnston and Silke Reeploeg.

Gwilym Gibbons
Director
October 2011

Shetlandarts

To: Board of Trustees – Shetland Arts
From: Director, Shetland Arts
Shetland Arts Development Agency: Board Agenda Forward Plan 2012 / 2013
Last revised: 10 March 2012

Trustees:

Jim Johnston (Chair)
 Les Lowes
 John Dally
 Danus Skene (vice Chair)

Joyce Davies
 Silke Reeploeg
 Irvine Tait
 Mark Burgess

John Goodlad,
 James Sinclair
 Robina Barton

Date	Venue	Item 1	Item 2	Item 3	Item 4	Item 5	CLOSED ITEM A	CLOSED ITEM B	Attending
Sat 10 Mar: 10am	Toll Clock	Revised Business Plan 2012/15	3 year Arts Development Plans	Trustee appointments					
Thu 19 Apr: 6pm	Market House	SADA AV Equipment Bank	Mareel opening event	Training Development Plan					
Tue 29 May: 6pm	TBC	The Hatchery Business Plan							
Sat 7 Jul: 10am		SADA Friend Schemes							
Wed 29 Aug: 6pm									
Thu 18 Oct: 6pm									
Sat 8 Dec:									

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 Operations

Mareel 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.