

Item	Description	Report	Item taken by	Action
1	Welcome and apologies		Chair	Note
2	Declarations of interest		Chair	Note
3	Minutes 16 December 2021		Chair	Approval
4	Scrutiny 4.1 Management Accounts 4.2 Operational Issues 4.3 Performance Monitoring 4.4 Major Projects 4.5 Budget 2022/23	Attached Attached Attached Attached Attached	KE GH GH GH KE	Note Note Note Note Approve
5	Governance 5.1 Policies 5.2 Finance Regulations	Attached Attached	KE KE	Approve Approve
6	Strategy 6.1 Update from Stakeholders	Attached	GH	Note
7	General 7.1 Key Upcoming Events	Attached	GH	Note
8	Any other business None			
9	Future SADA Board Meetings: Board Meeting Thursday 28 April 2022 – 5.15pm		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 16th December 2021, held at 5.15pm at Mareel and by Video Conference**

Present:

Susan Mail (SM), Chair, Shetland Arts (Teams call)
Lynn McHattie (LM), Trustee, Shetland Arts (Teams call)
Renzo Spiteri (RSp), Trustee, Shetland Arts (Teams call)
Chris Gadsby (CG), Trustee, Shetland Arts (Teams call)
Kerry Larbalestier (KL), Trustee, Shetland Arts (Teams call)
Michele Kerry (MK), Trustee, Shetland Arts (Teams call)

In Attendance:

Graeme Howell (GH), Chief Executive, Shetland Arts (Mareel)
Kerry Eunson (KE), Head of Organisational Support, Shetland Arts (Teams call)
Sarah Carr (SC), Administrator, Shetland Arts (Minute taker)
Siobhan Anderson (SA), Lead Officer Creative Scotland (Teams call)

Apologies:

James Johnston, Trustee, Shetland Arts
Molly Williams, Trustee, Shetland Arts
Malcolm Innes, Trustee, Shetland Arts

Item	Topic	Action
1	Welcome and Apologies The chair welcomed everyone to the meeting and introductions were made. Apologies were received from James Johnston and Molly Williams.	
2	Declarations of Interest There were no declarations of interest.	
3	Minutes of Previous Meeting The minutes of the prior meeting were approved by CG and seconded by LM.	
4.1	Management Accounts The management accounts were taken as read with no further questions raised.	
4.2	Operational Issues GH took the board through this report adding the following additional information: SADA is following Government guidance closely regarding COVID and is doing as much as possible to protect all. There are 3 imminent live performances and it has been left to each performer to decide if the event should proceed or not. Likewise, the audience is able to choose and refunds are available for those not wishing to attend. LM asked what today's guidance actually is, GH explained the impact of the guidance on SADA.	

	<p>GH confirmed that SADA is prepared to reinstate further lockdown measures if required such as: social distancing, table service and screens and said that "Customers must be given the confidence to come in".</p> <p>SM asked if staff numbers are being hit by COVID or Track & Trace? GH explained, that this has not been significant as yet but is expected at some point. If SADA experiences staff shortages, the cinema will be given priority as it's a core service of the organisation.</p> <p>Following the last meeting, GH confirmed that SADA is still experiencing some recruitment challenges.</p> <p>Regarding SIA Training, SADA only have need of security staff 2-3 times a year although there are normally used 6-7 times a year by hirers. There is a concern that if SADA solves the problem this year it may be expected to every time.</p> <p>Train Shetland have quoted £17,000 to train 7 people for the SIA. Funding for this initial training has been promised by Highlands & Islands Enterprise but cannot be guaranteed in 3 years time for re-training.</p> <p>GH advised that the best route may be a Joint Service Vehicle whereby members would contribute financially into the training scheme and would then hire the trained staff as needed.</p> <p>SM asked who might be in this venture? GH gave example of Tall Ships, Promoters, Nightclubs, Folk Festival.</p> <p>CG asked if SADA does not proceed, what will be the impact and is there the potential for this to become an income stream for SADA? GH explained that the lack of SIA staff means that we can't host standing events but these are not our core business. SADA is confident that it has the ability to continue with its charitable work.</p> <p>The Joint Service Vehicle members would each have to pay a management fee but this would not be enough to recoup the training costs. Promoters have been approached in the past about an additional or increased cost towards security but have been unwilling to pay additional costs.</p> <p>GH added that the Council should step up and provide this service if no one else does.</p> <p>GH suspects that once third parties are approached, details will be leaked and SADA can anticipate some criticism even though it is not SADA's responsibility to provide this service.</p> <p>This matter is to be discussed further but will be brought back to the board if the Joint Service Vehicle becomes a real possibility.</p>	
4.3	<p>Performance Monitoring</p> <p>This report was taken as read, there were no queries.</p>	

4.4	<p>Major Projects</p> <p>GH took the board through this report with the following additional comments:</p> <p>The Fragmented event at the Garrison Theatre was a very important piece of work and SADA received a nice letter from the Procurator Fiscal who attended.</p> <p>SADA has sadly closed and emptied the Shetland Made shop at Sumburgh but options for returning in Spring 2022 are being explored.</p> <p>£4m in funding has been announced and SA stepped in to confirm that it has been allocated for very specific use: Youth Arts, Screen Scotland and Culture Collective. Creative Scotland are to discuss the funding for Shetland Arts.</p> <p>SADA was successful in applying for funding for the Cultural Bridge project but the event was then postponed.</p> <p>The Strategic Modular Framework has gone out for consultation with the Wider Management Team.</p> <p>KE updated the board that a meeting will be held with the Good Governance Award to discuss the new modular framework to see if it is acceptable to them.</p>	
5.1	<p>Strategic Risk Register</p> <p>No comments.</p>	
5.2	<p>Policies</p> <p>KE introduced 4 policies for approval and explained the background.</p> <p>KL pointed out that she saw one reference to 'woman' in the 'Adoption, maternity and paternity' policy. This is to be changed to a gender neutral term in accordance with government guidance.</p> <p>SM queried 'Adoption, maternity and paternity' "...4 weeks for those working in a factory..." and asked if we could remove this. GH agreed to take this out.</p> <p>MW (via email to GH) asked how much information is a staff member to provide when off sick? How do they maintain privacy? KE explained that long term sickness requires an official doctors note on which the illness will be confirmed. This is held in confidence but readable by their line manager, HR staff and the CEO. If SADA needs more information, they can ask the doctor specific questions and the staff can approve this report prior to SADA seeing it.</p> <p>GH noted that staff being open about illness allows management to offer the best help and understanding.</p> <p>All policies were unanimously approved.</p>	<p>KE</p> <p>KE</p>

5.3	Trustee Recruitment No comments.	
5.4	Feedback from Chair Matters Conference No comments	
6.1	Update from Stakeholders GH took the board through the report and added the following: Siobhan from CS met with GH and attended the event at Levenwick. Jenny Sturgeon of Herkja was very positive about SADA and its support during the COVID pandemic. GH had no update from Shetland Charitable Trust but funding has been approved for 2022/23. The SIC has invited GH to present at a seminar to councillors. CG asked if this would be to the new councillors after election? GH thought it was likely to be the newly elected. LM noted that GSA and SADA have collaborated in the past, very successfully. The hope was that artists, digital streams and online art would continue to develop during COVID restrictions. Part of their funding was to encourage discussions between academics and practitioners and to help communities, such as Culture Collective.	
7.1	Key Upcoming Events GH pointed out that the first 3 events may be postponed due to COVID. Bonhoga is hosting a celebration of Welsh & Shetland Blankets. SADA is part of the 'Own Art' initiative to help make art affordable.	
8	Any Other Business SM explained that due to Sophie Whitehead stepping down there is a vacancy for Vice Chair. Any interested parties are to contact SM to discuss.	
9	Date of Next Meeting Thursday 24 th February 2022 at 5.15pm.	
	Meeting closed at: 6.06pm	

Minute approved:

Susan Mail

Chair, Shetland Arts Development Agency

4.1 Management Accounts

9 Months to December 2021

Profit and Loss Accounts



Shetland*arts*

	Actual £	Reforecast £	Variance £
<u>Income</u>			
Ticket Sales	182,773	201,132	- 18,360
Education and training income	76,942	88,546	- 11,605
Retail income	55,859	50,504	5,355
Food and beverage income	163,511	178,808	- 15,296
Foyer income	41,923	39,767	2,157
Box office commission income	946	1,336	- 390
Gallery commission income	3,144	1,877	1,267
Hire of rooms and equipment income	22,285	16,759	5,526
Screen advertising income	-	2,500	- 2,500
Gift Vouchers	443	- 1,047	1,490
Sponsorship income	250	725	- 475
Donations received	477	427	50
Grant Funding - Capital	-	-	-
Grant Funding - SIC	40,877	42,008	- 1,131
Grant Funding - SCT	487,500	487,500	- 0
Grant Funding - Creative Scotland	353,156	354,656	- 1,500
Other Grants - Trusts and foundations	17,868	4,560	13,308
Operating lease income - SIC	67,500	67,500	-
Other income	79,832	78,896	937
Memberships received	7,385	6,656	729
	<u>1,602,673</u>	<u>1,623,111</u>	<u>- 20,438</u>
<u>Purchases</u>			
Food and beverage purchases	57,474	63,072	5,598
Foyer purchases	19,659	19,517	- 142
Retail purchases	31,039	31,844	805
Direct costs	95	71	- 24
	<u>108,266</u>	<u>114,503</u>	<u>6,237</u>

Direct Costs

Gross wages and salaries - regular	587,780	589,042	1,262
Gross wages - casual	62,388	69,019	6,631
Employers NI	45,877	46,722	845
Employers pension	109,650	111,247	1,597
Recruitment expenses	747	1,997	1,250
Employee/Trustee expenses	-	250	250
Training and protective clothing	4,969	6,225	1,256
Programme costs - project	437,917	445,977	8,060
Marketing costs - project	6,847	8,991	2,143
Licences - PRS etc	22,490	25,617	3,127
Film transport	266	766	500
Hire of equipment	661	661	-
	<u>1,279,593</u>	<u>1,306,513</u>	<u>26,921</u>

Overheads

Travel and subsistence and Entertainment	18,426	30,617	12,191
Rent, Rates and Insurance	38,014	39,280	1,266
Heat and Light	56,139	60,911	4,771
Operating leases - Rent and Equipment	82,143	81,791	- 352
Repairs and maintenance and cleaning	95,471	103,248	7,777
Print, postage and stationary	2,285	3,030	745
Telephone and broadband	6,069	6,179	110
Computer costs	20,125	20,173	49
Marketing costs - strategic	1,410	1,578	168
Website costs	892	1,775	883
Subscriptions	1,609	1,536	- 73
Consumables	861	3,387	2,526
Sundry	164	-	- 164
Legal and professional fees	26,253	28,821	2,568
Till differences	- 219	- 55	164
Bank charges	9,865	11,001	1,137
Loan interest	2,837	3,391	554
	<u>362,343</u>	<u>396,664</u>	<u>34,321</u>
SURPLUS/DEFICIT	- 147,529	- 194,570	47,040

4.2 Operational Issues

February 2022



INTRODUCTION

This report details the following

- Operational Issues
- Health and Safety Issues

OPERATIONAL ISSUES

Date	Issue	Staff Involved	Outcome
Ongoing	Covid 19	SMT	Guidance has been relaxed. No social distancing required in auditorium. Work from home being relaxed, all WFH staff being invited back to Mareel on a Monday. Staff can choose to work in Mareel Tuesday to Sunday. Mareel cinema and Bonhoga exhibition will be prioritised if staffing becomes an issue because of isolation requirements.
Ongoing	Front Line Staffing	Head of Customer Services, Head of Organisational Support, CEO	We continue to be in a challenging situation regarding the recruitment of front-line staff. Adverts now highlight additional perks of working for SADA. Restricted hours and services being used to protect core business.
Ongoing	Provision of SIA licenced door staff	Head of Customer Services, CEO	Local training provider is now offering the door supervision training so we have paused our project. Discussions under way with Post Office on local endorsement of licences has been escalated to our MSP.

HEALTH AND SAFETY ISSUES

Date	Issue	Staff Involved	Outcome
	None to Report		

4.3 Performance Monitoring February 2022



INTRODUCTION

This report details the following

- Key Performance Indicators

KEY PERFORMANCE INDICATORS

As Per SCT Funding 21/22	Jul	Aug	Sep	Oct	Nov	Dec
Concerts, Screenings, Exhibition Days	285	271	209	215	227	489
Audience attendances	13,634	15,964	13,016	15,127	54,997	15,615
Development Sessions	18	27	193	96	125	111
Participations	231	119	1,143	545	626	642

Formal Education Delivery	Applied to Study at Mareel 21/22		Taught Across the Network 21/22
	Full Time	Part Time	
Vocational Pathway	-	32	-
NC	7	-	-
HNC	7	-	-
Degree	11	1	29
Masters	-	-	16

4.4 Major Projects

February 2022



INTRODUCTION

This report details the following

- Significant projects completed
- Updates on short term projects
- Listing of medium and long term projects

SIGNIFICANT PROJECTS COMPLETED

Date	Title	Intention	Outcome
31/01/2022	Management Review	To review existing structures, systems and processes to ensure they are fit for purpose.	New leadership team structure agreed with trustees and being implemented through Feb and March

UPDATES ON ONGOING PROJECTS

Title	Intention	Update
Good Governance Award	To work towards receiving the good governance award as recommended by OSCR.	Work ongoing. A positive meeting was held with GGA regarding the new modular framework. Expect to complete submissions by the end of March 2022.
Culture Collective. CS funded.	Support creative practitioners to deliver wellbeing projects in Shetland, Orkney and Western Isles through small grants.	Activity ongoing. CS recently announced an extension to funding
Youth Arts Small Grants. CS funded	Support practitioners to deliver youth arts projects through small grants.	Activity ongoing
VACMA 21/22 round 1. CS, SIC, SADA funded.	Bursaries for Visual Artists and Craft makers.	4 awards made in Rd 1. 6 applications for Rd 2.

Performing Arts Venue Relief Fund Rd2. CS Funded	To support creatives and reengage audiences as part of a COVID recovery strategy	Activity ongoing
Cultural Bridge	SADA invited to be one of three Scottish CS RFO's to take part in the Cultural Bridge project with partners in Germany.	Jens-Erwin Siemssen, Artistic Director and Juliane Lessen, children & youth theatre, from DLK visited Shetland W/C 7/3. Shetland team return visit 2/3. Exchange project being planned for 2023.
Islands Deal Knab Project Strand	To support the development of the Cultural Hub	Work ongoing
Competencies Review	To review existing competencies and behaviours to ensure they are fit for purpose.	Proposal for review by Worknest accepted, meeting to be held to discuss full plan.
Business Plan	To develop a new business plan for SADA	Leadership structure agreed with trustees, working with worknest on implementation. Leadership team to be in place by April 23

SIGNIFICANT PROJECTS PLANNED

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

Medium/Long Term	Title	Intention
Long	Paperless Purchase Ledger	To develop a new purchase ledger system which is paperless due to the move to working from home.
Medium	Yesplan Relaunch	Relaunch of Yesplan system to ensure used by all staff in the organisation to full potential.
Medium	Risk Assessment Review	To improve the quality of operational risk assessments, training delivered in September.
Short	Mareel Building Management System work	To arrange a maintenance visit for the the Mareel BMS.
Long	New Vocational Pathways course in Drama	Develop and deliver another strand of our popular Music and Film courses for S4 pupils as part of our UHI SLA.

4.5 Budget 2022/23



INTRODUCTION

This report sets out the proposed budget for Shetland Arts for the financial year ended 31 March 2023. The proposed budget is set out in Appendix 1 and shows a projected deficit of £48,537. Taking into account restricted expenditure included within this the operating surplus for the year is expected to be £34,819.

KEY CHANGES

The key changes made to the proposed budget since it was last presented to the board at its information session in January 2022 is as follows:

- Additional grant income of £90,000 has been added from Shetland Charitable Trust. They have confirmed that any unspent COVID relief funding from 2021/22 can be carried over to claim in the 2022/23 financial year.
- Additional grant income of £49,772 has been included for an application that is being made to the Independent Cinema Recovery fund. This grant is to help cover the shortfall in surplus generated by cinema while audiences come back and also to underwrite possible reopening on a Tuesday and a marketing campaign to encourage cinema audiences to return.
- Due to the additional funding available from the Shetland Charitable Trust the budget for vacancies currently being carried by the organisation were added back in as well as additional allowance for café and front of house staffing. This has increased overall staffing costs.
- Grant income totaling £25,000 has been added in relation to the institute project together with £10,000 of expenditure. The remainder of this funding will cover staffing costs.
- A commitment has been made to ensure that the overall effect of Bonhoga is neutral to the organisation. In the prior version of the budget Bonhoga was making a deficit of £16,000. This has been reduced through increasing retail income assuming increased opening hours in summer with savings found in staffing however the detailed plans have not been made as yet and how this is achieved may change.

Appendix 1 – Proposed Budget 2022/23

	Budget 2022/23	Budget 2021/22	Change	
<u>Income</u>				
Ticket Sales	428,275.00	274,470.86	153,804.14	56.04%
Education and training income	130,000.00	130,000.00	0.00	0.00%
Retail income	110,018.75	87,745.00	22,273.75	25.38%
Food and beverage income	395,000.00	255,490.67	139,509.33	54.60%
Foyer income	75,300.00	54,355.65	20,944.35	38.53%
Box office commission income	1,750.00	5,000.00	(3,250.00)	-65.00%
Gallery commission income	2,382.00	3,432.00	(1,050.00)	-30.59%
Hire of rooms and equipment income	60,120.00	62,720.00	(2,600.00)	-4.15%
Screen advertising income	10,000.00	10,000.00	0.00	0.00%
Sponsorship income	1,900.00	10,400.00	(8,500.00)	-81.73%
Donations received	0.00	0.00	0.00	0.00%
Grant Funding - SIC	17,022.00	4,522.00	12,500.00	276.43%
Grant Funding - SCT	774,500.00	877,000.00	(102,500.00)	-11.69%
Grant Funding - Creative Scotland	305,772.00	564,475.00	(258,703.00)	-45.83%
Other Grants - Trusts and foundations	56,250.00	49,032.00	7,218.00	14.72%
Operating lease income - SIC	90,000.00	90,000.00	0.00	0.00%
Other income	13,200.00	55,980.00	(42,780.00)	-76.42%
Memberships received	5,625.00	5,625.00	0.00	0.00%
	2,477,114.75	2,540,248.18	(63,133.43)	-2.49%
<u>Purchases</u>				
Food and beverage purchases	139,817.50	91,298.60	48,518.90	53.14%
Foyer purchases	37,500.00	27,027.83	10,472.18	38.75%
Retail purchases	59,897.00	50,877.00	9,020.00	17.73%
Direct costs	500.00	500.00	0.00	0.00%
	237,714.50	169,703.42	68,011.08	40.08%
<u>Direct Costs</u>				
Gross wages and salaries - regular	926,851.72	820,271.05	106,580.67	12.99%
Gross wages - casual	61,124.92	89,718.75	(28,593.83)	-31.87%
Employers NI	79,809.83	66,262.48	13,547.34	20.44%
Employers pension	198,838.46	152,267.48	46,570.98	30.58%
Recruitment expenses	5,000.00	5,000.00	0.00	0.00%
Trustee expenses	1,000.00	1,000.00	0.00	0.00%
Training costs	15,000.00	15,000.00	0.00	0.00%
Protective clothing	0.00	0.00	0.00	0.00%
Programme costs - project	326,868.24	513,274.13	(186,405.88)	-36.32%
Marketing costs - project	21,280.00	19,100.00	2,180.00	11.41%
Licences - PRS etc	45,422.97	42,508.64	2,914.33	6.86%
Film transport	2,000.00	2,000.00	0.00	0.00%
Hire of equipment	0.00	0.00	0.00	0.00%
	1,683,196.15	1,726,402.53	(43,206.39)	-2.50%

<u>Overheads</u>				
Travel and subsistence	64,991.00	86,473.34	(21,482.34)	-24.84%
Motor expenses	650.00	1,000.00	(350.00)	-35.00%
Rent	1,360.00	2,055.00	(695.00)	-33.82%
Rates	17,904.00	17,760.00	144.00	0.81%
Insurance	38,983.40	36,222.65	2,760.75	7.62%
Heat and Light	107,790.99	99,611.81	8,179.18	8.21%
Operating leases - Rent	90,000.00	90,000.00	0.00	0.00%
Operating leases - Equipment	20,177.28	16,800.00	3,377.28	20.10%
Repairs and maintenance	54,068.41	59,490.06	(5,421.65)	-9.11%
Equipment purchases < £500	10,347.82	10,868.22	(520.40)	-4.79%
Equipment purchases > £500	18,200.00	16,700.00	1,500.00	8.98%
Cleaning	54,035.20	53,389.02	646.18	1.21%
Print, postage and stationary	5,100.00	6,300.00	(1,200.00)	-19.05%
Telephone and broadband	8,860.00	8,860.00	0.00	0.00%
Computer costs	26,615.20	24,404.82	2,210.38	9.06%
Marketing costs - strategic	1,300.00	2,000.00	(700.00)	-35.00%
Website costs	1,500.00	4,000.00	(2,500.00)	-62.50%
Subscriptions	6,240.20	1,005.20	5,235.00	520.79%
Consumables	12,375.00	12,725.00	(350.00)	-2.75%
Sundry	0.00	0.00	0.00	0.00%
Legal and professional fees	27,575.00	37,575.00	(10,000.00)	-26.61%
Audit Fees	11,000.00	11,000.00	0.00	0.00%
Bank charges	19,668.00	20,040.00	(372.00)	-1.86%
Loan interest	6,000.00	6,000.00	0.00	0.00%
	604,741.50	624,280.12	(19,538.62)	-3.13%
TOTAL COSTS	2,525,652.15	2,520,386.07		
SURPLUS/DEFICIT	(48,537.40)	19,862.11	(68,399.50)	-344.37%

5.1 Policies

February 2022



INTRODUCTION

This report details the following

- Policies for Approval
- Policy Register

POLICIES FOR APPROVAL

Policy Name	Appendix	Changes
Training and trips	1	No changes
Disciplinary	2	No changes
Capability	3	No changes
Procurement	4	New policy
Volunteering	5	No changes

POLICY REGISTER

Policy Name	Date for Review	Notes
Pay Policy	14/01/2020	To be reviewed at the April 2022 board meeting
Sick Pay	16/12/2024	
Adoption, Maternity and Paternity	16/12/2024	
Statutory Right to Time Off	16/12/2025	
Training and Trips	14/01/2020	Included in this report
Disciplinary	14/01/2020	Included in this report
Capability	14/01/2020	Included in this report
Anti- Harassment, Bullying and Victimisation	14/01/2020	To be reviewed at the April 2022 board meeting
Equality, Inclusion and	14/01/2020	To be reviewed at the April 2022 board

Diversity		meeting
Absence Management	16/12/2025	Updated policy to the board in December
Communications	14/01/2020	To be reviewed at the April 2022 board meeting
Whistleblowing	14/01/2020	To be reviewed at the June 2022 board meeting
Expenses	14/01/2020	To be reviewed at the June 2022 board meeting
Data Protection	14/01/2020	To be reviewed at the June 2022 board meeting
Alcohol and Drugs	14/01/2020	To be reviewed at the June 2022 board meeting
Social Media	14/01/2020	To be reviewed at the August 2022 board meeting
Environmental	14/01/2020	To be reviewed at the August 2022 board meeting
Health, Safety and Welfare	28/10/2022	
Children, Young and Vulnerable Adults	14/01/2020	To be reviewed at the April 2022 board meeting
Conflicts of Interest	29/04/2023	
Smoke Free Policy	14/01/2020	To be reviewed at the August 2022 board meeting
Volunteering Policy	14/01/2020	Included in this report
Menopause Policy	29/04/2024	
Portable IT Policy	In development	
Procurement Policy	In development	Included in this report
Recruitment Policy	In development	
Lone Working Policy	In development	
Appraisal Policy	In development	

Appendix 1

Training and Trips Policy

This policy sets out the arrangements for staff training, attendance at conferences and research trips.

This policy does not form part of any employee's contract of employment and may be amended at any time.

Training and Trips Requests

SADA sets a training budget annually which is available to all staff to put training and trip requests forward. This is done by completing the Training Request Form on conjunction with the employee's line manager. All training requests will be considered by the Senior Management Team on a weekly basis. It is the responsibility of employees submit their requests on a timely basis to allow approval sufficiently in advance.

Employees may make requests for training which is not wholly in the course of their role with SADA. If the SMT feel this training will have benefit to the organisation SADA will pay 50% of the costs. The remainder will be paid by the employee through payroll on terms agreed on a case by case basis.

Requests that require travel to the mainland will not be accepted if they are received within one month of travel due to the increased costs of short notice travel.

Statutory Training

Employees will be required to undertake any statutory training required as part of their role within any timescale requested by the organisation.

Roles with Trip Budget

The following roles will have an individual budget for research trips annually which will be set 1 April each year:

- Programme Manager
- Cinema Programme Manager
- Exhibitions Manager

Exceptions

Any deviation to this policy will be made at the sole discretion of the Chief Executive.

Appendix 2

Disciplinary Procedure

This policy sets out the Organisation's approach to the required standard of conduct from Employees at work. The Organisation's aim is to maintain high standards of performance and behaviour and to make sure that all Employees are aware of the standards of behaviour expected from them.

This policy sets out below a list of rules and behaviours that the Organisation expect Employees to adhere to. It also sets out the processes that the Organisation will adhere to when dealing with poor performance and misconduct to ensure that all Employees are dealt with consistently. This disciplinary procedure should be seen as a mechanism for helping Employees where their conduct is unsatisfactory rather than simply being a process for imposing sanctions.

The purpose of this policy is to set out a number of general rules that the Organisation expects all Employees to adhere to when carrying out their duties.

Code of Conduct

The purpose of the Code of Conduct is to set out a number of general rules that the Organisation expects all Employees to adhere to when carrying out their duties. If an Employee breaks the rules set out below then disciplinary action may be taken against them. The list of rules set out below is not exhaustive and other rules may be added to this policy from time to time.

Employees are required to comply with the following list of rules:

- To attend work at the appointed time and to maintain acceptable time-keeping.
- To observe the Organisation's absence reporting procedure.
- To maintain an appropriate standard of dress, personal appearance and hygiene in line with Organisation requirements.
- To observe the Organisation's health and safety policies and procedures, and to report any accidents or other instances that result in injury to themselves, fellow Employees or any other individual at work.
- Not to smoke in areas that are not specifically designated for smoking.
- Where Organisation vehicles are provided, to comply with the Organisation's policy on Organisation car use. In particular, Employees must immediately report any accidents involving Organisation vehicles or damages to those vehicles.
- To take care of all Organisation equipment, including Organisation cars.
- To obey all reasonable management instructions.
- To be polite to all customers, clients, suppliers of the Organisation.
- To observe the Organisation's equal opportunities and harassment policies.
- To observe the Organisation's policies and procedures on data protection and use of e-mail, internet and telephone facilities.
- To keep confidential both during and after their employment with the Organisation all information gained in the course of their employment relating to the Organisation and/or its clients, customers or suppliers.

Appendix 2

Disciplinary Procedure

Gross Misconduct

In addition to the general rules set out above, the Organisation has set out below a list of behaviours that the Organisation would consider as gross misconduct. A breach of any of the following rules may result in the Employee's dismissal without notice. Note that this list is not exhaustive.

- Theft
- Fraud
- Falsification of time-sheets or expenses claims or other documentation relating to employment.
- Violent conduct towards fellow Employees, customers, clients or suppliers.
- Threatening conduct or swearing at fellow Employees, customer, clients or suppliers.
- Gross insubordination or a repeated refusal to obey a reasonable management instruction.
- Gross negligence.
- Instances of bullying or harassment.
- Serious breach of the Organisation's equal opportunities policy including direct and indirect discriminatory acts based on a person's sex, racial or ethnic origin, sexual orientation, religion, age or disability.
- Serious breach of the Organisation's e-mail or internet policy, including the downloading or sending of pornographic or sexually explicit material, and the sending of racially offensive jokes.
- The introduction of viruses into the Organisation's computer system.
- Attending work whilst unfit as a result of alcohol or illegal drugs, including any instances where alcohol is consumed or illegal drugs used during working hours.
- Serious breach of the Organisation Health and Safety policy.

Disciplinary Procedure

The Organisation is committed to following a full and fair process in dealing with disciplinary matters to ensure consistency of treatment for all Employees. Set out below is the process that the Organisation will normally follow. This procedure does not form part of any Employee's contract of employment and may be amended at any time. The Organisation may also vary this procedure, including any time limits, as appropriate in any case.

Investigation

Prior to taking any disciplinary action, the Organisation will fully investigate any allegations of wrongdoing. Notes will be taken of all interviews and meetings in connection with the investigation, and these notes will normally be made available to the Employee prior to any Disciplinary Hearing.

Suspension

In cases of serious misconduct, the Organisation may elect to suspend the Employee on full pay to allow an investigation to take place. The period of the suspension will be kept to a minimum, and will not be viewed or treated as a punishment against the Employee.

Where an Employee is absent from work due to sickness during any period of suspension, the suspension will automatically come to an end, and the Employee will be treated as on sickness absence, and will receive their sick pay entitlement.

Appendix 2

Disciplinary Procedure

Informal Stage

Minor conduct and performance issues will normally be dealt with by the Employee's immediate line manager and may take the form of advice, counselling or a reprimand. The aim of the informal stage is to set out what standard is expected such as to avoid further disciplinary sanction.

Formal Stage

(1) Verbal Warning

Where an Employee has committed a breach of the Code of Conduct above, or where performance is unsatisfactory, the Organisation may issue a verbal warning. This warning will be confirmed in writing and will be retained on the personnel file. However this warning will subsequently be disregarded after a period of six months from the date of issue.

(2) Written Warning

Where there are repeated minor breaches following a verbal warning or the informal procedure, or in the case of more serious misconduct, the Organisation may issue a first written warning. A first written warning will be held on the personnel file; however it will subsequently be disregarded after a period of 12 months from the date of issue.

(3) Final Written Warning

Where further breaches of discipline or performance standards occur after a written warning, or where the misconduct is viewed as serious, the Organisation may issue a final written warning. The final written warning will specify that any further breaches of discipline may result in an Employee's dismissal. A final written warning will subsequently be disregarded after a period of 18 months.

(4) Dismissal

Where further breaches of discipline or performance standards occur after a final written warning, or where the Employee breaches any of the rules set out in the gross misconduct section above, the Organisation may dismiss the Employee either with or without notice. In cases of gross misconduct, normally no notice will be given or paid by the Organisation.

Depending on the seriousness of the offence, and at the sole discretion of the Organisation, the Organisation may start disciplinary proceedings at any stage of the procedure.

The decision to dismiss any Employee can only be taken by a Senior Manager.

(5) Appeal

Employees shall have the right to appeal against any disciplinary sanction. Appeals will normally be made to the next line of management to that which imposed the original disciplinary measure, and should be made in writing within five days of receipt of the letter confirming the disciplinary measure to be applied. An appeal hearing will be set as soon as practicable thereafter.

Appendix 2

Disciplinary Procedure

Right to be Accompanied

All Employees are entitled to be accompanied to any formal disciplinary hearing or appeal by a fellow Employee or an appropriate trade union official.

Employees with Less Than Two Years' Service

The Organisation reserves the right at its sole discretion not to follow this disciplinary procedure in the case of an Employee with less than two years' service.

Appendix 3 Capability Policy

The Policy

The primary aim of this procedure is to provide a framework within which managers can work with employees to maintain satisfactory performance standards and to encourage improvement where necessary.

It is Shetland Arts Development Agency's (SADA) policy to ensure that concerns over performance are dealt with fairly and that steps are taken to establish the facts and to give employees the opportunity to respond at a hearing before any formal action is taken.

This policy does not apply to cases involving genuine sickness absence, proposed redundancies or misconduct. In those cases reference should be made to the appropriate policy or procedure.

This procedure applies to all employees regardless of length of service. It does not apply to agency workers or self-employed contractors.

This procedure does not form part of any employee's contract of employment and it may be amended at any time.

The Policy in Practice

In the first instance, performance issues should normally be dealt with informally between the employee and their line manager as part of day-to-day management. Where appropriate, a note of any such informal discussions may be placed on the employee's personnel file but will be ignored for the purposes of any future capability hearings. The formal procedure should be used for more serious cases, or in any case where an earlier informal discussion has not resulted in a satisfactory improvement. Informal discussions may help:

- clarify the required standards;
- identify areas of concern;
- establish the likely causes of poor performance and identify any training needs; and/or
- set targets for improvement and a time-scale for review.

Employees will not normally be dismissed for performance reasons without previous warnings. However, in serious cases of gross negligence or misconduct, or in any case involving an employee who has not yet completed their probationary period, dismissal without previous warnings may be appropriate.

If the Company has concerns about an employee's performance, it will undertake an assessment to decide if there are grounds for taking formal action under this procedure. The procedure involved will depend on the circumstances but may involve reviewing the personnel file including any appraisal records, gathering any relevant documents, monitoring the employee's work and, if appropriate, interviewing the employee and/or other individuals confidentially regarding their work.

Appendix 3 Capability Policy

Notification of a Capability Hearing

If the Company considers that there are grounds for taking formal action over alleged poor performance, the Employee will be required to attend a capability hearing. The Company will notify the employee in writing of the concerns over their performance, the reasons for those concerns, and the likely outcome if the Company decides after the hearing that their performance has been unsatisfactory. The Company will also include the following where appropriate:

- A summary of relevant information gathered as part of any investigation.
- A copy of any relevant documents which will be used at the capability hearing.
- A copy of any relevant witness statements, except where a witness's identity is to be kept confidential, in which case we will give you as much information as possible while maintaining confidentiality.

The employee will be given written notice of the date, time and place of the capability hearing. The hearing will be held as soon as reasonably practicable, but the employee will be given a reasonable amount of time, usually two to seven days, to prepare their case based on the information provided.

Right to be Accompanied at Hearings

The employee may bring a companion to any capability hearing or appeal hearing under this procedure. The companion may be either a trade union representative or a colleague. The employee must tell the manager conducting the hearing who the chosen companion is, in good time before the hearing.

Procedure at Capability Hearings

If the employee or their companion cannot attend the hearing the employee should inform the Company immediately. The employee must make every effort to attend the hearing, and failure to attend without good reason may be treated as misconduct. If the employee fails to attend without good reason, or is persistently unable to do so (for example, for health reasons), the Company may have to take a decision based on the available evidence including any written representations the employee has made.

The hearing will normally be held by the Employee's line manager or a more senior manager.

The aims of a capability hearing will usually include:

- Setting out the required standards that the Company believes the employee may have failed to meet, and going through any relevant evidence.
- Allowing the employee to ask questions, present evidence, respond to evidence and make representations.
- Establishing the likely causes of poor performance including any reasons why any measures taken so far have not led to the required improvement.
- Identifying whether there are further measures, such as additional training or supervision, which may improve performance.
- Where appropriate, discussing targets for improvement and a time-scale for review.

Appendix 3

Capability Policy

- If dismissal is a possibility, establishing whether there is any likelihood of a significant improvement being made within a reasonable time and whether there is any practical alternative to dismissal, such as redeployment.

A hearing may be adjourned if the Company deems it necessary to gather any further information or give consideration to matters discussed at the hearing.

The Company will inform the employee in writing of its decision and the reasons for it, usually within one week of the capability hearing.

Stage 1 Hearing: First Written Warning

Following a Stage 1 capability hearing, if the Company decides that the employee's performance is unsatisfactory, the Company will issue the employee a first written warning, setting out:

- The areas in which the employee has not met the required performance standards.
- Targets for improvement.
- Any measures, such as additional training or supervision, which will be taken with a view to improving performance.
- A period for review.
- The consequences of failing to improve within the review period, or of further unsatisfactory performance.

A first written warning may be authorised management or above.

The warning will normally remain active for six months from the end of the review period. After the active period the warning will remain permanently on the employee's personnel file but will be disregarded in deciding the outcome of any future capability proceedings.

The employee's performance will be monitored during the review period and the Company will write to inform the employee of the outcome:

- if the line manager is satisfied with the employee's performance, no further action will be taken;
- if the line manager is not satisfied, the matter may be progressed to a Stage 2 capability hearing; or
- if the manager feels that there has been a substantial but insufficient improvement, the review period may be extended.

Stage 2 Hearing: Final Written Warning

If the employee's performance does not improve within the review period set out in a first written warning, or if there is further evidence of poor performance while the employee's first written warning is still active, the Company may decide to hold a Stage 2 capability hearing.

Appendix 3

Capability Policy

Following a Stage 2 capability hearing, if the Company decides that the employee's performance is unsatisfactory, the employee will be given a final written warning, setting out:

- the areas in which the employee has not met the required performance standards;
- targets for improvement;
- any measures, such as additional training or supervision, which will be taken with a view to improving performance;
- a period for review; and
- the consequences of failing to improve within the review period, or of further unsatisfactory performance.

A final written warning may be authorised by management or above.

A final written warning will normally remain active for 12 months from the end of the review period. After the active period, the warning will remain permanently on the employee's personnel file but will be disregarded in deciding the outcome of future capability proceedings.

The employee's performance will be monitored during the review period and the Company will write to inform the employee of the outcome:

- if the line manager is satisfied with the employee's performance, no further action will be taken;
- if the line manager is not satisfied, the matter may be progressed to a Stage 3 capability hearing; or
- if the manager feels that there has been a substantial but insufficient improvement, the review period may be extended.

Stage 3 Hearing: Dismissal or Redeployment

The Company may decide to hold a Stage 3 capability hearing if it has reason to believe:

- the employee's performance has not improved sufficiently within the review period set out in a final written warning;
- the employee's performance is unsatisfactory while a final written warning is still active; or
- if the employee's performance has been grossly negligent such as to warrant dismissal without the need for a final written warning.

Following the hearing, if the Company finds that the employee's performance is unsatisfactory, the Company may consider a range of options including:

- Dismissal.
- Redeployment into another suitable job at the same pay or a lower grade.
- Extending an active final written warning and setting a further review period (in exceptional cases where the Company believes a substantial improvement is likely within the review period).
- Giving a final written warning (where no final written warning is currently active).

The decision may be authorised by senior management or above.

Appendix 3

Capability Policy

Appeals Against Action For Poor Performance

If an employee feels that a decision about poor performance under this procedure is wrong or unjust they should appeal in writing, stating their full grounds of appeal, to the Chief Executive or if your line manager is the Chief Executive you may appeal to the Chair of the Board within one week of the date on which they were informed in writing of the decision.

Where possible, the appeal hearing will be conducted by the Chief Executive or if your line manager is the Chief Executive the Chair of the Board. The manager who conducted the capability hearing will also usually be present.

Appendix 4 Procurement

Purpose

Procurement means the way that we buy the goods, services and work needed to support the work of the charity. At all stages of procurement, the charity uses procedures that are fair, competitive and auditable and that meet the relevant legislation.

This policy is based on:

- Principles of non-discrimination, fairness and transparency,
- The promotion of efficient and effectiveness, and
- Minimising the risk to the charity

Scope

This policy covers:

- Appointment of (non-staff) personnel, such as consultants and freelancers.
- Purchase of all services, goods and equipment

Levels of Expenditure

The level of expenditure will determine the procurement procedures required.

1. Purchases costing less than £3,000
A supplier may be selected directly, without the requirement to prepare a shortlist. A contract is still required with freelancers.
2. Purchases estimated to cost between £3,000 - £10,000
Selection may be made on the basis of an evaluation of short-listed, qualified candidates' / suppliers and the rationale for the choice must be recorded.
3. Purchases estimated to cost £10,000 or more
These purchases will follow the full procurement procedure set out below.

Full Procurement Procedure

The selection process for suppliers will normally involve the following steps:

- a) Define the scope, objectives, estimated budget and timescales as well as determining the selection procedure to be followed (the brief or specification).
- b) Identify the suppliers that are qualified to deliver the required service and prepare a short list of qualified firms / people.
- c) Invite proposals from the short list
- d) Evaluate and compare the proposals and select the preferred consultant / supplier
- e) Negotiate a contract with the selected consultant / supplier
- f) Manage the process properly

Short lists shall normally include no less than three and no more than six qualified and experienced consultants / suppliers. Ideally the list shall normally include at least one local supplier.

Appendix 4 Procurement

Evaluation and Selection

When formal proposals are requested from a short list of suppliers, the invitation for proposals must clearly state the criteria for evaluating them. The evaluation of suppliers should normally be based on technical considerations including, but not limited to, experience in similar areas, local experience and presence, qualifications of key personnel and suitability and quality of the work plan.

For some purchases of a straightforward technical nature, the price must be a consideration but quality and value for money should remain a principle factor in selection. When formal proposals are requested, the supplier that submits the highest rated proposal should be selected.

Ongoing Services

For ongoing contracts these should be re-procured on a three-yearly basis.

Appendix 5 Volunteering

Introduction

Shetland Arts Development Agency (SADA) is a charitable organisation, which delivers a diverse range of arts events and activities for the benefit of the community.

Volunteers are vital to SADA's operation. They supplement the skills, experience of our staff, and allow us to offer a greater number and range of events and activities. Volunteers provide additional valuable support to SADA's work and it is not our intention to displace paid staff with volunteers.

Principles

SADA values and appreciates the commitment of our volunteers and we aim to reward them with worthwhile and fulfilling experiences in return. They can develop skills, gain employability experience, make new friends and contacts, access training opportunities and make a positive contribution to the community. Many of our volunteers have reported benefits in terms of health, wellbeing and self-confidence.

SADA welcomes volunteers from all backgrounds, levels of ability and areas of interest. We recognise that many volunteers will need training and support to perform their duties. With this in mind, we do our best to match prospective volunteers with a role, which is suitable. If no suitable roles are available, we will be open and honest with the prospective volunteer.

Policy

This policy sets out the general terms for our engagement with volunteers and is additional to other related SADA policies, which apply to all staff and volunteers including:

- Equalities, Diversity & Inclusion
- Children, Young People & Vulnerable Adults
- Health & Safety
- Drug & Alcohol Policy

These documents will be provided to all volunteers. This policy does not form part of any employee's contract of employment and may be amended at any time.

MANAGEMENT RESPONSIBILITIES

Chief Executive

The Chief Executive has overall responsibility for the implementation of the volunteering policy. In particular, they are responsible for ensuring that the policy is widely communicated and that its effectiveness is monitored.

Operations Manager

Operations Manager is responsible for ensuring this policy is adhered to in the recruitment and management of all SADA volunteers.

Appendix 5 Volunteering

Opportunities and Enrolment

- Volunteering opportunities are identified at the planning phase of relevant projects and Volunteering Roles Descriptions are written by the Community Programme Coordinator
- Volunteering roles are advertised on the Opportunities section of the SADA website and elsewhere when available
- SADA welcomes contact from potential volunteers at any time, and from agencies and organisations including schools, employability organisations and other support organisations on behalf of their students and/or users
- SADA ensures a fair and effective recruitment and selection procedure operated throughout the organisation including the enrolment of volunteers
- As per SADA's Equalities, Diversity & Inclusion Policy, enrolment will take place without discrimination on ethnicity, race, faith, age, sexual orientation, gender, employment status, caring commitment, religion, class, health or disability
- It is the Operations Manager's responsibility to identify the most relevant enrolment approach
- The required level of commitment from the volunteer will be discussed at an interview so that both parties can gain a clear understanding. Volunteers can give as little or as much time as they wish, although a regular commitment is preferable

References

- Two character references must be gained prior to a Volunteer commencing their placement. This could be for example from a superior at work, school, college or a support worker that has known the applicant for a minimum of 3 years
- The Operations Manager will use the information gathered in the volunteer application form to contact the referees. This can be done by telephone or email, at the permission of the volunteer

Protecting Vulnerable Groups

- All volunteers will be managed in line with SADA's Children, Young People & Vulnerable Adults Policy, which includes SADA's policy on the Protection of Vulnerable Groups

Volunteering Agreement

- Each volunteer will be given a Role Description and a Volunteer Agreement containing full information about their chosen area of work and a clear idea of their responsibilities and SADA responsibilities to them. Neither of these documents are a contract; SADA has no intention of creating a contract with any volunteers.

Induction

- There will be a compulsory induction for each volunteer to ensure they receive full information about their work area and their responsibilities
- The Operations Manager or relevant manager will undertake an induction for all volunteers. This will include awareness of relevant policies to enable each volunteer to carry out their role effectively and in support of the Shetland Arts vision and aims. Health & Safety procedures and specific knowledge or understanding the volunteer may require to undertake the placement effectively will also be covered
- Before commencing their new role a volunteer will be required to read, understand and sign SADA Social Media Guidelines, and organisation's policies which will all be provided as part of the Volunteer Handbook
- Volunteers will be bound by the same requirements for confidentiality as paid staff.

Appendix 5 Volunteering

Ongoing Support and Development

- Shetland Arts will ensure that volunteers receive ongoing opportunities for learning and development where required. The Operations Manager will identify with the volunteer any ongoing support, training or development needs to enable the volunteer to carry out their role and develop their skills effectively
- Shetland Arts from time to time will provide a forum for volunteers to feedback and discuss any concerns or ideas they have
- 12 - 25 year old can register for a Saltire Award and receive certificates on completion of per hour milestones
- SADA will provide references for volunteers for future employers on request

Claiming Expenses

- SADA will reimburse volunteers for all agreed out of pocket expenses incurred while volunteering as approved by the individual Project Co-ordinator or other named contact. Receipts or proof of purchase should be provided in all instances.

Insurance and Indemnity

- All volunteers are covered for insurance purposes whilst working for Shetland Arts
- If volunteers are using their own vehicle for purposes specific to the role outside of commuting (e.g transporting artists), they must ensure they have notified their insurers of the vehicle usage. If insurers require the individual to change their cover type, SADA will reimburse any incurred administration fees to a maximum sum of £30. The volunteer must provide an invoice or receipt for this from the insurer.

Ending the Agreement

- Volunteers are asked to inform SADA when they no longer wish to volunteer. On the basis of their voluntary work, volunteers will have the right to request a reference and will be supported to move on to other options.

5.2 Financial Regulations February 2022



INTRODUCTION

This report includes:

- Proposed updated Financial Regulations for the organisation for approval by the board.

BACKGROUND

The governing documents of Shetland Arts are made up of:

- Trust Deed
- Administrative Regulations
- Financial Regulations

The Trust Deed was updated in 2021 and the next step is to review and update both the financial regulations and admin regulations. The first to be completed has been the financial regulations and the proposed document is attached as Appendix 1 for approval.

Appendix 1 – Financial Regulations

Introduction and General Guidelines

There are three documents governing the conduct of the Trust's business. The Trust Deed sets out what the Trust can do, the Administrative Regulations set out the governance and administrative rules as to how it conducts its business and the Financial Regulations sets out the rules governing the financial business and transactions of the Trust.

These Financial Regulations set out a framework for the proper financial administration of the Trust.

The Regulations should be supported by detailed Financial Procedures for each of the topics.

The Financial Regulations need to be read and understood by any member of staff who may be incurring expenditure on behalf of the Trust.

Ultimate responsibility for ensuring the proper financial administration of the Trust rests with the Chief Executive, on behalf of the Trustees.

Only members of staff may commit the Trust to any expenditure. If Trustees have a need to commit expenditure, they should do so with the prior agreement of the Chief Executive and follow the guidelines for authorisation set out in these regulations.

No member of staff shall commit expenditure without proper prior authorisation by the relevant budget holder.

Only expenditure and income related to the business of the Trust can be administered through the Trust's accounts. No member of staff or trustee's personal expenditure can be administered through the accounts of the Trust. No expenditure relating to a business interest of a member of staff of Trustee may be administered through the accounts of the Trust.

Statutory Framework

In accordance with the Charities and Trustees Investment (Scotland) Act 2005, a charity must:

- (a) keep proper accounts
- (b) prepare for each financial year of the charity a statement of account, including a report on its activities in the financial year
- (c) have the statement of account independently examined or audited
- (d) send a copy of the statement of account to OSCR
- (e) maintain the relevant financial records for a period of 6 years from the end of the financial year in which they are made.

The Chief Executive shall be responsible for ensuring the accounting system delivers accounts in a form that complies with all relevant statutory requirements and deadlines.

Responsibilities

The Chief Executive shall be responsible for the proper administration of the Trust's financial affairs.

The Chief Executive shall be responsible to the Trust for proposing regulations and controls to ensure the proper administration of the finances of the Trust.

The Board of Trustees shall provide strategic direction to the Chief Executive on the administration of the Trust's financial affairs, to protect the assets of the Trust and ensure that it operates within its financial means.

The Chief Executive shall be responsible for advising Trustees on the impact of changes in financial legislation, regulations and taxation relevant to the affairs of the Trust.

The Chief Executive shall be responsible for the provision of financial advice and information to the Board of Trustees to ensure they can fulfil their responsibilities, including an explanation of the financial implications of any decisions.

The Chief Executive shall ensure that at all times proper and adequate financial systems exist which deliver the information necessary for effective financial management.

The Chief Executive shall ensure that the Board of Trustees is kept informed of the Trust's overall finances through regular reporting and information.

Separation of Duties

The following principles shall be observed in the allocation of accounting duties:

- (i) the duties of providing information regarding sums due to or from the Trust and of calculating, checking and recording these sums, shall be separated as completely as possible from the duties of collecting or disbursing them;
- (ii) officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions; and
- (iii) where these principles cannot be complied with it shall be reported to the Board of Trustees together with steps taken to minimise any risk.

No financial sums or other assets shall be written out of the accounts without the approval of the Board of Trustees.

Budget Preparation, Monitoring and Control

Each year, the Chief Executive shall prepare a budget of expected income and expenditure for the approval of the Board of Trustees.

It is the responsibility of the Chief Executive to monitor and control overall income and expenditure (including commitments) against the budgets of the Trust.

It is the responsibility of each Budget Holder to monitor and control income and expenditure (including commitments) against the budgets that they are responsible for.

All reasonable effort should be made to ensure that no expenditure is incurred which exceeds an approved budget for a given service or project. All reasonable efforts should be made to ensure that expenditure is incurred for the purposes, and in the amounts, approved by the Trust. All reasonable efforts should also be made to ensure that income is collected at least up to the level of an approved budget for a given service or project.

Where expenditure is unavoidably incurred which exceeds an approved budget then the Budget Holder must report, via the Chief Executive, the facts and circumstances at the earliest opportunity with proposals for remedial action to get the budget back into balance.

Virement is the power to transfer resources between approved budgets. The governing principle is that Budget Holders should pursue the service outputs determined by the Trust, and should have sufficient flexibility over the inputs to concentrate on that objective. In practice this means that Budget Holders should have full budget flexibility to move money between the type of expenditure to be incurred on each service or project. However, moving money between projects or services requires the approval of the Chief Executive (as, by implication, this is changing the level of service to be provided).

Budget Holder and Authority to Commit and Spend

Approval of a budget is a key control mechanism for the Trust. Without an approved budget by the Board of Trustees, no expenditure can be incurred on a project or service by a member of staff. Committing the Trust to expenditure without prior budget approval may, if significant, result in disciplinary action.

For each budget there is a Budget Holder. The Budget Holder is responsible for preparation, monitoring and control of that budget. This is usually the person who will be taking the spending decisions on what is needed to deliver a particular project or service and also what charges need to be levied to cover some or all of the costs.

Prior to committing the Trust to the acquisition of goods, works and services the Budget Holder must demonstrate that:

- The action is legal and charitable in terms of the Charities and Trustee Investment (Scotland) Act 2005
- The project or service is in accordance with the terms of the Trust Deed and solely in the interests of Shetland and its inhabitants (indirect benefit by others is acceptable)
- The project or service contributes directly to the Trust's Business Plan
- The project or service is part of the service agreement or business or operating plan for the year, if available
- any funding conditions can be met
- there is an approved budget for the cost of acquisition
- the proposed expenditure secures value for money for the Trust

Should any Budget Holder be unsure as to whether or not their intention to acquire, and/or make a commitment for, goods, works or services complies with the conditions laid out above, they should refer the case to the Chief Executive.

Procurement of Goods, Work and Services

Purchase Orders for works, goods and services shall be issued for all works, goods or services to be supplied to the Trust with a cost over £50 except for supplies of public utility services (e.g. telecommunications, electricity, water and drainage), periodical payments, petty cash purchases or other such exceptions approved by the Board of Trustees.

Incurring additional staffing costs, such as travel, accommodation, subsistence, expenses and overtime costs, etc, also requires prior written authority, in a form to be determined by the Chief Executive.

Property, Inventories and Disposal of Assets

The Chief Executive, or his/her nominee, shall maintain a register of all land and heritable properties owned or leased by the Trust.

The Chief Executive shall have the custody of all title deeds and lease documents, and shall ensure their security.

Inventories shall be maintained covering all owned and leased items of furniture, fittings, vehicles, vessels, plant and machinery.

The Trust's property shall not be used other than for the Trust's purposes, nor removed other than in the course of Trust business, except under specific instruction from the Chief Executive and as provided for in the Trust's Code of Conduct for Employees.

Once the Trust has satisfied itself that it has no further need for an owned asset, it may dispose of the asset by advertising the items for private bids. If assets are to be open to bids from Trust staff for private use, they must also be advertised externally at the same time. The Trust will pay the costs of advertising and manage the sealed bids process and allocate the obsolete asset to the highest bidder.

Risk Management and Insurances

The Trust shall ensure that it carries adequate insurance cover for all statutory requirements and reasonable insurable risks.

All reportable incidents, accidents and claims, and material facts which may give rise to a claim, must be reported to the Board of Trustees.

In line with statutory requirements, the Board of Trustees is responsible for ensuring that it has in place adequate Risk Management arrangements.

All Trust employees are expected to adopt the principles of Risk Management in their daily working practices.

Salaries, Wages and Pensions

The payment of all salaries, wages, pensions, compensation and other emoluments to all employees or former employees of the Trust shall be made by the Chief Executive, under arrangements approved and controlled by them.

The Chief Executive shall notify the payroll administrator as soon as possible of all matters affecting the payment of such emoluments, in particular:

- (a) appointments, resignations, dismissals, suspensions, secondments and transfers;
- (b) changes in remuneration, other than normal increments and pay awards and agreements of general application; and
- (c) information necessary to maintain records of service for pension, income tax, national insurance and the like, including sick leave.

All such forms and records shall be forwarded to the payroll administrator timeously within the deadlines set by them. In particular no payment will be made in relation to claims over three months old except with the approval of the Board of Trustees.

The names of staff authorised to certify such records shall be sent to the payroll provider and shall be amended on the occasion of any change.

Travelling Expenses and Allowances

Payments to Trustees who are entitled to claim travelling or other allowances will be made by the Chief Executive upon receipt of the prescribed form duly completed and certified.

All claims by staff for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted to the payroll provider, duly certified (by the claimant and countersigned by the line manager), in a form approved by them, made up to a specified day of each month, timeously within the deadlines set by them. In particular, no payment will be made in relation to claims over three months old, except with the express approval of the Board of Trustees.

The names of Officers authorised to certify such records shall be sent to the payroll provider and shall be amended on the occasion of any change.

The certification by or on behalf of the Chief Executive shall be taken to mean that the certifying Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred, that the allowances are properly payable by the Trust, and that no payment will be made by any other body or person towards such expenses or allowances.

Payment of Accounts

Apart from petty cash the normal method of payment of accounts due from the Trust shall be by bank transfer or other instrument drawn on Trust's bank accounts.

The Budget Holder issuing orders is responsible for ensuring independent examination, verification and certification of related invoices to ensure appropriate segregation of duties, and similarly for any other payment vouchers or accounts arising in his/her area of responsibility.

Before certifying an account the Budget Holder shall have satisfied himself that:

- the work, goods and services to which the account relates have been received, examined and approved;
- the amounts are correct;
- appropriate entries have been made in inventories, stores or stock records as required, and
- the account has not been previously passed for payment and is a proper liability of the Trust.

Control of Income

The collection of all money due to the Trust shall be under the supervision of the Chief Executive.

Each Budget Holder shall furnish the Chief Executive with such particulars in connection with work done, goods supplied or services rendered, and of all other amounts due, as may be required to record correctly all sums due to the Trust and to ensure the prompt rendering of accounts for the recovery of income due.

All money received by an officer on behalf of the Trust shall without delay be paid to the Trust's bank accounts. No deduction may be made from such income unless specifically directed by the Chief Executive. Each Officer who so banks money shall enter on the paying-in slip a reference to the related debt or otherwise indicate the origin of the cheque on the reverse of each cheque.

Banking Arrangements

All arrangements with the Trust's bankers shall be made by the Chief Executive, who shall be authorised to operate such banking accounts as may be considered necessary.

All cheques shall be ordered only on the authority of the Chief Executive, who shall make proper arrangements for their safe custody.

Cheques on the Trust's accounts shall be signed by the Chief Executive or their nominees.

A list of authorised signatories for expenditure up to £5,000 shall be approved by the Board.

Any one-off items of expenditure exceeding £5,000 shall be authorised by the Chief Executive or their nominee in line with the signing authorities.

The Trust shall not enter into a loan agreement without the approval of the Board of Trustees.

The Trust's overdraft limit shall be approved by the Board of Trustees and shall not be exceeded without the prior agreement of the Board.

The Chief Executive shall ensure that the Trust secures the best possible interest rate from any cash held at the bank.

Cash Imprests

The Chief Executive shall provide such cash imprest advances as considered appropriate for such Officers as may need them to meet the requirements of petty cash and other expenses. Reinstatement of the cash imprest balance shall be done to a frequency determined by the Chief Executive.

No income received may be paid into a cash imprest, but must be banked.

Payments from cash imprests shall be limited to minor items of expenditure and to such other items as the Chief Executive may approve, and shall be supported by a receipt wherever possible.

An Officer responsible for a cash imprest shall, if and when requested, give the Chief Executive a certificate as to the state of the imprest.

On leaving the employment of the Trust or otherwise ceasing to be entitled to hold a cash imprest, an Officer shall account to the Chief Executive for the state of the imprest.

Stocks and Stores

The Chief Executive shall be responsible for the care of stocks and stores.

Stocks shall not be in excess of normal requirements except in special circumstances.

The Chief Executive shall arrange for periodic test examinations of stocks by persons other than the regular storekeepers, and shall ensure that all stocks are recorded and reconciled at least once a year.

Security

The Chief Executive is responsible for maintaining property security at all times for all buildings, inventories, stocks, stores under his/her control, including any special security arrangements needed.

Keys, combinations and other means of securing safes and similar receptacles are to be kept secure in the possession of the person responsible at all times, and any loss of such security must be immediately reported to the Chief Executive.

The Chief Executive shall be responsible for maintaining the proper security and privacy of all information held, whether by computer or otherwise.

6.1 Updates from Stakeholders February 2022



INTRODUCTION

This report details the following

- Updates from key stakeholders

UPDATES FROM KEY STAKEHOLDERS

	Activity Plan update required by 7 March. Agreed that the social outcomes will form the headings.
Creative Scotland	Application required for the Recovery Fund for Independent Cinemas by 4 March Meeting Siobhan Anderson on 10 March
Shetland Charitable Trust	Roll forward of any remaining COVID 19 contingency fund agreed for 2022/23
Highlands and Islands Enterprise	
Shetlands Islands Council	Members symposium agreed for 7 March 2022

7.1 Key Upcoming Events February 2022



EVENT DETAILS

Date	Title	Venue
Monday 21 March	Launch of Tourism Films	Mareel
Friday 25 Mar 2022	The Imposters Present: An Improvised Musical Panto	Mareel
Saturday 26 March 2022	Herkja present 'Caald Nights O Winter'	Vidlin Hall