

Minute of a Meeting of Shetland Arts Development Agency Board of Trustees, held at 10.00am on Saturday 24th September 2011 at Garrison Theatre, Lerwick

Present:

Jim Johnston (JJohn), Trustee/Chair, Shetland Arts
 James Sinclair (JS), Trustee, Shetland Arts
 Mark Burgess (MB), Trustee, Shetland Arts
 Danus Skene (DS), Trustee, Shetland Arts
 Silke Reeploeg (SR), Trustee, Shetland Arts
 Joyce Davies (JDav), Trustee, Shetland Arts
 John Dally (JDal), Trustee, Shetland Arts
 Robina Barton (RB), Trustee, Shetland Arts
 John Goodlad (JG), Trustee, Shetland Arts

In Attendance:

Gwilym Gibbons (GG), Director, Shetland Arts
 Christine Simpson, Finance Officer, Shetland Arts (minutes)
 Sheila Duncan (SD), Head of Finance & Admin, Shetland Arts
 Paul Hetherington, Director, The A9 Partnership, Ltd.

Apologies:

Irvine Tait (IT) Trustee, Shetland Arts
 Leslie Lowes, (LL), Trustee, Shetland Arts

Item	Topic	Action
1	Apologies and welcome	
1.1	Mr Johnston welcomed everyone to the meeting. Apologies were received from Mr Tait and Mr Lowes. Mr Hetherington was in attendance representing A9, auditors of SADA annual accounts.	
2	Annual Accounts 2010/2011	
2.1	<p>The Chair asked that Annual Accounts be discussed first. Mrs Duncan introduced the Annual Accounts and explained there are two differences between the draft set and the final set:</p> <ul style="list-style-type: none"> a) Calculations of depreciation and b) Mareel Capital Cost of £214,267. <p>Mrs Duncan also noted the apparent surplus, which is the result of Mareel capital grant income requirements to be included in the accounts Restricted Capital Fund. This means that a large surplus is shown overall for the year. The balance of the Restricted Capital Fund will however be written down over the estimated lifetime of Mareel and the various equipment and fixtures and fittings funded as part of the Capital Project. This will correspond with the depreciation charged on these assets once Mareel operations commence.</p> <p>Mr Gibbons added there would be approximately £1.5 Million worth of equipment in the building which would need to be depreciated.</p>	

2.2	In summary, the annual accounts show a deficit of £53,175, which includes some Mareel revenue costs (£37,470), Depreciation/write down of Restricted Capital Fund (£9,473), leaving a small deficit of £6,232 for the remaining overall operations of SADA.	
2.3	<p>The pension fund was discussed, which shows a positive effect on the annual accounts this year, although the reserves still show an overall negative balance.</p> <p>Trustees were reminded that SADA is part of a local government scheme administered by Shetland Islands Council. There is an understanding that SCT will underwrite all the local trust Pension funds. Mr Goodlad thought it important that the understanding be clarified, perhaps in writing, given the importance of the issue.</p> <p>Mr Gibbons informed trustees that he represents SADA on a trust liaison group, and could raise the issue there.</p>	GG
2.4	<p>Mr Hetherington concluded the discussion with an overview and commented there were 'no issues raised during the course of the audit which caused us to consider recommending amending the accounts' and that the financial statements 'give a true and fair view of the charity's affairs at the year end and are compliant with all relevant accounting and charity legislation'.</p> <p>The Chair thanked A9 and Mrs Duncan for all their hard work in putting together the accounts.</p> <p>The accounts were formally approved by Mr Skene and seconded by Mr Dally.</p> <p>Mr Hetherington left the meeting at 10.20am.</p>	
3a	Minutes of the last meeting	
3a.1	The minutes of the previous meeting of SADA Board on 16 June 2011, were approved as an accurate record by Mrs Davies, and seconded by Mr Goodlad. Ms Reeploeg noted that spelling corrections are required in the closed section.	Admin
3b	Matters Arising that don't appear within the agenda	
3b.1	Garrison Theatre: Mr Gibbons reported that he has held discussions with the Shetland Charitable Trust regarding the costs of running the building and that it was unlikely there would be any additional funding provided for this. SCT are aware of SADA's position and are sympathetic and supportive of finding a way forward.	

	<p>The Chair said will he will meet with the SCT regarding the Garrison Theatre and report back.</p> <p>The Chair reminded trustees he has taken early retirement, and so has more time to attend Mareel meetings. Mr Skene felt it important politically for the Chair to be present at these meetings.</p>	Chair
4a	Management Accounts – Annual Budget 2011/12	
4a.1	<p>Mrs Duncan reported that July Management accounts were discussed at the Finance Sub-group meeting yesterday. Although the annual budget figures shows a balanced budget, the accounts she provided to the SCT show removal of the £100,000 deficit funding figure. The figures also include the additional costs related to early retirement.</p>	
4b	Director’s Travel	
4b.1	<p>Mr Gibbons reported that the Plasa trip to view equipment for Mareel was very useful to all who attended and decisions on equipment purchases would be finalised and ordered in November.</p> <p>The report was noted by the Board.</p>	
4c	Authorities Schedule	
4c.1	<p>Mrs Duncan reported that SADA’s Authorities Schedule has been updated. Trustees asked that those who are cheque signatories and Power of Attorney signatories be added.</p> <p>Mr Skene would like clarification on who authorises purchases that are capitalised and the relationship between who can authorise and who inventories the items and add this to the trustee list. Mr Gibbons suggested a review of how capital assets are captured.</p>	<p>SD</p> <p>GG/SD</p>
4d	Staffing Changes	
4d.1	<p>Lisa Ward has been appointed as Marketing Officer, and Iain Waddell as Production Manager. Both will start on 3rd October, 2011.</p>	
4d.2	<p>Mary Smith’s last day is 28th September, 2011. A leaving party will be held for Mary in November. The Chair, on behalf of the Trustees, wished her all the best and thanked her for her work on the Westside Cluster Project.</p>	
4d.3	<p>Mr Gibbons reported that more new posts would be advertised shortly. He noted that although internal recruitment was considered for the Customer Care Manager post, it was decided that all posts should be treated the same and advertised externally, even though this would incur extra costs.</p>	

4e	Budget Review Update	
4e.1	SCT are planning to approve 3-year funding packages for Trusts. SADA supports this as it would help with forward planning. Mrs Duncan is also working toward providing a 3-year budget to assist trustees with strategic planning. The budget for next year (2012/2013) shows a slight surplus of £3,500 and is still a work in progress.	
4e.2	<p>The main point of discussion was the £100,000 deficit funding promised by SCT to cover any losses in the first year of Mareel. This funding can only be claimed on evidence that expenditure attributable to Mareel has caused spend more than our income/budget.</p> <p>Mr Gibbons notified SCT this financial year of activity directly attributable to Mareel which will be itemised on the deficit funding claim for £100,000 in due course.</p> <p>The updated review was noted by the Board.</p>	
5a	Mareel Construction	
5a.1	<p>Mr Gibbons informed trustees that we are now entering final phase. The interior of the building is nearing completion with radiators, light switches etc in place.</p> <p>Full details of progress on construction can be found on Basecamp, including cost reports.</p>	
5b	Mareel Operations Update	
5b.1	<p>Mr Gibbons referred to the summary of key Operations activities/milestones on Basecamp, which give a flavour of the process to opening.</p> <p>Mr Gibbons noted there will be 'soft opening' events, including last year's BBC Children in Need prize, for first use of the main cinema.</p> <p>The sponsorship plan will be discussed in greater detail at a future meeting.</p>	Agenda
6	Between Weathers LLP and Shetland Arts IP CIC update	
6.1	<p>The CIC is now live and the bank account open. The film is due to be shot next spring 2012.</p> <p>Mr Gibbons noted local investors can invest from Oct/Nov. If the film makes a profit, they will get back their investment plus 20%. Any profit above these investment pay-backs will go to the CIC. Mr Gibbons noted that tax breaks are available for film investors.</p> <p>Mr Dally noted the recent media coverage on the film on BBC's</p>	

	'The One Show'.	
7	Hatchery	
	<p>Mr Gibbons reported that the business plan for the Westside Cluster project would be discussed at the Board meeting with the SADA Business Plan due to be agreed by the end of the year.</p> <p>It was agreed that the name be changed from Westside Cluster to Hatchery Project.</p> <p>An insurance claim for roof damage to the building last winter has now come through but planning permission is still to be granted. The current concrete based sheeting will be replaced with new profile sheeting.</p>	Agenda
8	AOB	
8.1	<p>Current committee structure The Chair asked that the Board appoint a vice chair. Trustees decided to wait to discuss this at the next meeting, to allow time to reflect on the present structure and revisit the constitution. Nominees for the post for vice chair will be taken at the next meeting.</p> <p>Sub-committee structure The Chair asked that the Finance Sub-Group also appoint a chair and vice chair, and that the workings groups appoint a representative to report back to the board. Mr Gibbons suggested that some standing orders be set up for the group, and that members undertake governance training. Mr Gibbons will find a date and add this to Basecamp.</p> <p>Mr Sinclair expressed his difficulties in attending Operations Meetings on Thursdays at 4pm due to work commitments. Ms Barton expressed she had the same difficulty. Fridays had been a better day for both trustees to attend.</p>	Agenda GG
8.2	<p>A discussion was held about terms and conditions for AV equipment let out to community groups. It has been brought to SADA's attention that some hires have been used for commercial use.</p> <p>Mr Gibbons suggested charging a commercial rate, with discount for advertising SADA name. If this was not fulfilled, full amount should be charged. The new production manager will monitor hire of the AV and PA equipment and enforce the commercial rates on hirers who are in default. Production Manager with Head of Operations to review equipment hire and charges.</p>	RW

6	Dates of Future Meetings	
6.1	The next meeting of the Board will be held Wednesday 9 th (subsequently changed to 10 th .) November, 6.00pm at Bonhoga Gallery. Arts Development meeting times and dates are available on basecamp.	
6.2	The meeting closed at 12.30pm.	

CLOSED ITEMS HAVE BEEN REMOVED FROM THIS PUBLIC MINUTE