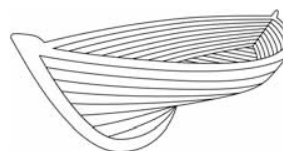


Shetland Arts Development Agency
Board of Trustees Meeting
Thursday 5th November 2009 at 6.00pm
Venue: Bridge End Outdoor Centre, Burra



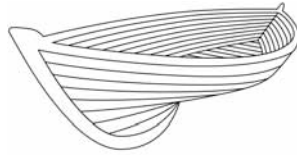
Shetland arts

AGENDA

Item	Description	Report	Item taken by	ACTION
1	Apologies and welcome	Verbal	Chair	Note
	Appointment of Vice Chair			
2	Minutes of last meeting			
2a	Approval of Minute for accuracy – 23 September 2009	Attached	Chair	Approval
2b	Matters arising that don't appear within the agenda	Verbal	Chair	Discussion
3	Finance and Management			
3a	Finance Sub Group Report	Attached	Director	Decision
3b	Management Accounts	Attached	Director	Decision
3c	SADA Annual Budget Approval	Attached	Director	Decision
4	Mareel Project			
4.1	Construction update	Mareel Construction Board Minutes	Director	Note
4.2	Operational update	Verbal	Director	Note
5	Dates of future meetings			
5a	SADA Board Meeting: Tuesday 15 th December SADA Finance Sub-Group Meeting: Tuesday 1 st December 4.00pm Toll Clock Office SADA Board Arts Dev. Meeting: TBC		Chair	Confirm dates and venues for future meetings

CLOSED ITEMS

A	Closed items from previous minutes matters arising		Chair	



Shetland *arts*

To: Board of Trustees – Shetland Arts

05 November 2009

From: Director, Shetland Arts

Finance Sub-Group

1 Background

The Shetland Arts Board has over the last 12 months discussed the format, detail and content of SADA management accounts with a view to finding an appropriate balance between levels of information and the need for Trustees to have a strong grasp of the financial position of what is a complex organisation.

In order to support officers in refining the presentation of financial information to the Board, the Board agreed to setup a small Finance Sub Group tasked with reviewing management accounts and proposing methods of reporting to meet the needs of Trustees.

The Sub-Group met for the first time on Wednesday 28 October and has meetings scheduled every six weeks (10 days prior to Board meetings) for the next 12 months.

The current membership of the Finance Sub-Group is:

Trustee: Jim Johnston

Trustee: George Smith

Trustee: Johan Adamson

Finance Officer

Director

At the meeting on the 28 October a proposed new method of financial reporting was agreed for consideration by the Board.

2 Proposal

2.1 Shetland Arts divides regular financial reporting between main Board meetings and Trustee Arts Development Meetings in the following way:

2.1.1 Main Board Meetings will receive management accounts providing an overview of the Trusts financial position with a clear narrative summarising variances and the projected financial outcome based on expenditure/ income forecasts and actual spend/ income.

2.1.2 Trustee Arts Development Meetings receive alongside activity outcome reporting, art form/ festival income and expenditure figures against budget and projected attendance/ participation figures against actual. In affect linking quantitative and qualitative reporting directly back to the Shetland Arts Business Plan 2008/13.

2.2 Financial Sub-Group to provide a forum for detailed scrutiny of Trust finances: drilling down into expenditure and income headings; developing a in depth understanding of emerging trends and exploring areas in which improvements in all aspects of financial management can be made.

2.3 Financial Sub-Group to explore with the Director potential delegated powers on behalf of the Board where appropriate. Until any such delegated powers are agreed by the Board the Finance Sub-Group will operate with an advisory role to Officers and the Board and will not be able to make decisions that otherwise would normally be made by the Board.

3. Recommendations

The aboard consider and approve the proposed role of the Finance Sub-Group as outlined above and the proposed separation of financial reporting between Arts Development Trustee Meetings and the Main Board.

Gwilym Gibbons
Director
05 November 2009

Income

	Approved Board	Half Yearly Budget Estimate	Quarter 1 Apr - Jun	Quarter 2 July - Sept					Notes
	2009 - 2010 Budget for the Year	Half Yearly Budget estimates	Actual April/May/June	Actual July/Aug/Sept	Variance against estimates £	% of actual income against half yearly budget estimates	Remainder between actual income and yr budget	Total Income to Date	
Box Office/Programme income	£ 131,800	64,250	21,392.17	44,070.89	1,213	102%	£ 66,337	£ 65,463	1
Ancillary Earned Income	£ 162,500	80,000	38,057.93	57,375.46	15,433	119%	£ 67,067	£ 95,433	2
Other Earned Income	£ 18,500	10,000	7,998.23	2,134.13	132	101%	£ 8,368	£ 10,132	3
Business Sponsorship	£ 11,825	4,800	500.00	0.00	-4,300	10%	£ 11,325	£ 500	4
Trusts, Donations	£ 55,900	25,000	630.46	11,681.74	-12,688	49%	£ 43,588	£ 12,312	5
Revenue Scottish Arts Council	£ 156,803	78,402	39,201	39,201	0	100%	£ 78,401	£ 78,402	6
Project Funding SAC (Voted and Lottery)	£ 70,400	27,200	106,553.52	13,443.79	92,797	441%	£ 49,597	£ 119,997	7
Local Authority - Project Funding	£ 16,600	12,000	13,000.00	-1,000.00	3,000	125%	£ 1,600	£ 15,000	8
Other Public Funds	£ 866,736	425,068	471,877	55,683	102,492	124%	£ 339,176	£ 527,560	9
Total Income	£ 1,491,064	£ 726,720	£ 699,210	£ 222,590	198,080	127%	£ 566,264	£ 924,800	

Expenditure

	Approved Board	Half Yearly Budget Estimate	Quarter 1 Actual April, May, June	Quarter 2 Actual July, Aug, Sept	Variance against estimates £	income against half yearly budget		remainder of actual spend against budget estimates	Total Expenditure to Date	Notes
	2009 - 2010 Budget for the Year	Half Yearly Budget Estimate	Actual April, May, June	Actual July, Aug, Sept	£	income against half yearly budget		remainder of actual spend against budget estimates	Total Expenditure to Date	
All Staff Costs	781,465	£ 395,332	202,655.58	199,093.30	6,416.88	6,417	102%	£ 379,716	401,748.88	10
Programme	157,110	£ 78,549	61,932.86	39,134.19	22,518.05	18,266	129%	£ 56,043	96,814.78	11
Marketing	15,120	7,925	6,634.25	11,014.28	9,723.53	19,988	223%	£ 2,529	27,912.50	11
General Marketing and Box Office	25,000	12,000	3,823.64	8,410.84	234.48	234	102%	£ 12,766	12,234.48	12
Education	223,558	£ 126,271	21,292.10	159,253.38	54,274.48	38,967	143%	£ 43,013	165,238.33	11
Overheads	249,283	£ 131,535	81,583.22	127,940.52	77,988.74	77,989	159%	£ 39,759	205,929	13
Other Expenses	39,528	£ 0	0.00	0.00	0.00	0	0%	£ 39,528	0	11
Total Expenditure	1,491,064	751,612	377,922	544,847	171,156.16	-161,861	123%	£ 568,296	913,472.71	

INCOME	1,491,064	726,720	699,210	225,590	198,080	198,080	127%	566,264	924,800
EXPENDITURE	1,491,064	751,612	377,922	544,847	171,156	36,219	123%	568,296	913,473

Net Surplus/Deficit for half year 11,327

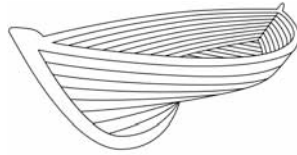
Income

- Box Office/Programme Income above target for period and should reach annual budget target by year end.
- Ancillary Earned Income: Bonhoga Café and Shop sales above target and total ancillary earned income budget should reach annual target by year end.
- Other Earned Income: Music budget income of £10,000 not expected to reach target. Hires of PA lower than anticipated. Expect shortfall at year end of £5,000 on total.
- Business Sponsorship : although each art form has a target to reach it has been difficult in the current economic climate to find business sponsorship. To date only £500 has been found and it is doubtful if any further income will be realised.
- Trusts. Donations: Still some applications outstanding.
- Revenue Scottish Arts Council: Monthly income received as per budget.
- Project Funding SAC (Voted and Lottery): Visual Arts, Music, Literature have all reached their targets. Mirrie Dancers is an additional project which has brought in £82,500 additional funds.
- Local Authority Project Funding: On target.
- Other Public Funds: Shetland Charitable Trust approved a grant which was less than the approved budget by £12,360 and will be reflected in the expenditure overheads as an overspend. Mirrie Dancers has attracted substantial additional funds to improve the income position, as well as a £10,155 Planned Maintenance Grant from the SCT for the Garrison Theatre.

Expenditure

- Staff Costs to budget.
- Programme, Programme Marketing, Education, Programme Overheads: These headings all relate to project spending and are linked to the income sources identified above. If a project does not receive funding then the officer does not go ahead with the project. Projects funded or partially funded by SIC EDU or HIE are all paid retrospectively, so their expenditure is high until the project ends and the claim submitted. Again, the figures are skewed by the large Mirrie Dancers project which is shown under Visual Arts. Although the project marketing figure appears high, it is as a result of correct coding for some projects who did not have a marketing budget and their programming costs will be reduced by the same amount.
- Strategic Marketing: On target
- Overheads: Garrison Theatre overspent (as expected due to SCT reduced grant) by £6,500 to date. Expect similar overspend by year end. The Bonhoga Café and shop overspent but their income is also above target for the period. £45,000 additional expenditure coded under Strategic Development (Homecoming). However the income has gone to projects so suggest moving expenditure to projects also.

Note Overall, the income position is above our budget estimation for the period, mainly as a result of the Mirrie Dancers project. Although some areas have not reached their target (mainly Business Sponsorship), the projects officers will adjust their expenditure on projects to meet this shortfall. Targets for this period have been met and there is no anticipated problems for the next quarter.



Shetland *arts*

To: Board of Trustees – Shetland Arts

05 November 2009

From: Director, Shetland Arts

Shetland Arts Annual Budget 2010/11

1 Background

In order for Shetland Arts to prepare core funding applications to Shetland Charitable Trust and the Scottish Arts Council the Board are required to agree by the end of November 2009 an outline budget for the proceeding year.

Significant work was done on budget preparation and forecasting as part of the Business Plan 2008/13 development as agreed in November 2008. This budget is a review and revision of the agreed Business Plan budgets against actual spend/income for the whole of 2008/09 and part of 2009/10.

At the time of developing a budget for 2010/11 it is unknown exactly when Mareel will open in the final quarter of the year. So, in order to develop a budget for this transitional year a number of assumptions have been made as outlined below:

- a) To aid simplicity of budget forecasting we have worked on the basis that Mareel will be operational from the beginning of Q4 of 2010/11.
- b) To support the above operation we have phased staff recruitment of key posts from 6 months prior to opening of Mareel.
- c) Given the front loaded nature of Mareel activity before realisation of income, £50k of the committed additional £100k from SCT towards operation of Mareel in year one is allocated to the first quarter of operation.

All expenditure figures relating to core expenditure (staff, premises, insurances and legal costs) have been closely scrutinised against actual expenditure for first half of 2009/10 and total spend for 2008/09.

It should be noted that the combined budget of new Mareel and current SADA activity should undergo significant review in early 2010 in good time for implementation to support Mareel growth. The review will bring together financial forecasts with the outcomes of the programmed review of Shetland Arts staffing and governance structures.

2 Proposal

- 2.1 The proposed 2010/11 Budget shows a growth in turnover of just over 10%. The growth is solely due to the additional activity generated by Mareel in quarter 4. The proposed turnover 2010/11 = £1.6m
- 2.2 With regard to core funding from both the Scottish Arts Council and the Shetland Charitable Trust the following assumptions have been made:
- 2.2.1 Following the 'Trusts Review' Shetland Arts agreed in principle to a 10% (target £70k) reduction in core funding from SCT (this excludes the one off commitment of £100k towards year one operation of Mareel). Shetland Arts is therefore preparing an application request to SCT of £696,038 + 2% inflation. At the time of writing this report it is unclear if SCT is in a position to support the modest inflation request as proposed.
- 2.2.2 Shetland Arts is currently in discussion with the Scottish Arts Council regards Foundation Organisation grant levels for 2010/11. Given major reductions in public funding at a national level it is unlikely however that Shetland Arts will be able to secure an inflation increase for the £156,803 grant currently received from the SAC. The budget therefore assumes a £156,803 grant from the SAC for 2010/11.
- 2.3 Within the Strategic fundraising budget a target sum of £1,826 that has been added against a new heading called 'Management charges'. This modest sum relates to income generated through large-scale project management and consultancy income. The income will be generated by a 10% to 15% management fee on all projects.
- 2.4 The proposed budget makes no allowance for replacing the half time People Development Officer and seeks to make a staffing budget saving from not filling the post due to budget constraints at this time.
- 2.5 The Board will be asked to consider the above post along side other posts, salary levels and timescales for taking on new staff for Mareel during the staffing structure review in spring 2010.

3. Recommendations

The Board to consider and approve the proposed budget for 2010/11 and note the assumptions and recommendation for review of the budget in spring 2010.

Appendix 1 SADA Annual Budget 2010/11

Gwilym Gibbons
Director
05 November 2009

Income

	Approved Board	Half Yearly Budget Estimate	Quarter 1 Apr - Jun	Quarter 2 July - Sept	Total		Board Meeting November
	2009 - 2010 Budget for the Year	Half Yearly Budget estimates	Actual April/May/June	Actual July/Aug/Sept	Received	Remainder between actual income and yr budget	2010 - 2011 Draft Budget for approval
Box Office/Programme income	£ 131,800	64,250	21,392.17	44,070.89	65,463.06	£ 66,337	£172,350
Ancillary Earned Income	£ 162,500	80,000	38,057.93	57,375.46	95,433.39	£ 67,067	£276,700
Other Earned Income	£ 18,500	10,000	7,998.23	2,134.13	10,132.36	£ 8,368	£12,000
Business Sponsorship	£ 11,825	4,800	500.00	0.00	500.00	£ 11,325	£7,100
Trusts, Donations	£ 55,900	25,000	630.46	11,681.74	12,312.20	£ 43,588	£73,715
Revenue Scottish Arts Council	£ 156,803	78,402	39,201	39,201	78,402.00	£ 78,401	£156,803
Project Funding SAC (Voted and Lottery)	£ 70,400	27,200	106,553.52	13,443.79	119,997.31	£ 49,597	£70,000
Local Authority - Project Funding	£ 16,600	12,000	13,000.00	2,000.00	15,000.00	£ 1,600	£0
Other Public Funds	£ 866,736	425,068	471,877	55,683	527,559.65	£ 339,176	£830,959
Total Income	£ 1,491,064	£ 726,720	£ 699,210	£ 225,590	£ 924,800	£ 566,264	£1,599,627

Expenditure

	Approved Board	Half Yearly Budget Estimate	Quarter 1 Apr - Jun	Quarter 2 July - Sept	Total		Board Meeting November
	2009 - 2010 Budget for the Year	Half Yearly Budget estimates	Actual April, May, June	Actual July, Aug, Sept	Spent	Remainder between actual spend and yr budget	2010 - 2011 Draft Budget for approval
All Staff Costs	781,465	£ 395,332	202,655.58	199,093.30	401,748.88	£ 379,716	£887,018
Programme	157,110	£ 78,549	61,932.86	39,134.19	101,067.05	£ 56,043	£183,707
Marketing	15,120	7,925	6,634.25	11,014.28	17,648.53	£ 2,529	£43,920
General Marketing and Box Office	25,000	12,000	3,823.64	8,410.84	12,234.48	£ 12,766	£20,000
Education	223,558	£ 126,271	21,292.10	159,253.38	180,545.48	£ 43,013	£159,713
Overheads	249,283	£ 131,535	81,583.22	127,940.52	209,523.74	£ 39,759	£305,268
Other Expenses	39,528	£ 0	0.00	0.00	0.00	£ 39,528	£0
Total Expenditure	1,491,064	751,612	377,922	544,847	922,768	£ 568,296	£1,599,627

INCOME	1,491,064	726,720	699,210	225,590	924,800	566,264	£1,599,627
EXPENDITURE	1,491,064	751,612	377,922	544,847	922,768	568,296	£1,599,627

Staff increase due to Mareel staffing (Dec - Mar)
 Marketing increase due to improved reporting/movement of expend
 Overheads increase due to Mareel, stock etc

SADA Department Budget Forecast Summary Sheet

2008/2013

Arts Development Summary

Income	2008/09	2009/10	2010/11	2011/12	2012/13
Drama	£16,750	£11,500	£18,100	£19,100	£20,200
Music	£83,400	£89,375	£66,800	£92,091	£93,140
Craft	£9,000	£30,500	£20,600	£25,100	£25,100
Literature	£14,472	£17,500	£18,600	£18,500	£19,200
Visual Arts	£13,500	£28,000	£26,000	£14,500	£16,000
Film Development	£38,300	£28,300	£23,200	£20,000	£20,000
Dance	£26,000	£29,000	£20,000	£30,250	£30,700
Bonhoga Exhibition	£26,500	£29,050	£30,100	£31,100	£32,500
Total projected income	£227,922	£263,225	£223,400	£250,641	£256,840

Expenditure	2008/09	2009/10	2010/11	2011/12	2012/13
Drama	£69,050	£63,913	£64,146	£69,075	£69,901
Music	£145,388	£140,706	£97,604	£121,577	£122,605
Craft	£64,442	£88,558	£78,561	£78,213	£79,087
Literature	£66,747	£68,838	£75,899	£75,647	£76,620
Visual Arts	£67,442	£87,225	£83,561	£66,713	£67,587
Film Development	£39,617	£39,887	£35,238	£62,177	£62,895
Dance	£64,300	£65,034	£55,598	£66,529	£67,150
Bonhoga Exhibition	£94,194	£98,740	£93,388	£95,641	£96,928
Total projected expenditure	£611,181	£652,901	£583,994	£635,572	£642,772

Department Surplus/ deficit **-£383,259** **-£389,676** **-£360,594** **-£384,931** **-£385,932**

Events and Venues Summary

Income	2008/09	2009/10	2010/11	2011/12	2012/13
Bonhoga Café Shop	£70,000	£82,000	£92,000	£99,000	£106,000
Film Exhibition	£84,500	£88,000	£103,612	£203,287	£211,545
Garrison Programming	£8,800	£9,300	£9,315	£10,901	£12,499
Mareel Music Hall	£0	£5,000	£123,077	£475,023	£488,139
Venues	£6,000	£22,000	£34,000	£80,830	£81,697
Daytime Café bar (Mareel)	£0	£0	£15,135	£108,869	£111,879
Total projected income	£169,300	£206,300	£377,139	£977,910	£1,011,759

Expenditure	2008/09	2009/10	2010/11	2011/12	2012/13
Bonhoga Café Shop	£81,929	£88,995	£97,201	£96,466	£100,615
Film Exhibition	£106,676	£108,874	£114,532	£228,320	£234,097
Garrison Programming	£90,015	£83,878	£63,424	£89,531	£90,922
Mareel Music Hall	£8,839	£16,875	£164,632	£528,126	£538,688
Venues	£228,032	£267,883	£300,529	£420,800	£427,212
Daytime Café bar (Mareel)	£0	£0	£14,291	£55,609	£57,013
Total projected expenditure	£515,492	£566,505	£754,610	£1,418,852	£1,448,548

Department Surplus/ deficit **-£346,192** **-£360,205** **-£377,471** **-£440,941** **-£436,789**

Management, Finance and Strategic Development

Income	2008/09	2009/10	2010/11	2011/12	2012/13
Strategic projects	£0	£25,000	£20,000	£30,000	£40,000
People Development	£0	£3,000	£4,000	£5,000	£5,000
Strategic fundraising	£967,675	£985,539	£963,588	£1,082,950	£1,081,309
General Marketing	£0	£8,000	£11,500	£16,586	£16,630
Total projected income	£967,675	£1,021,539	£999,088	£1,134,536	£1,142,939

Expenditure	2008/09	2009/10	2010/11	2011/12	2012/13
Strategic projects	£94,582	£101,267	£100,633	£103,735	£105,610
People Development	£64,626	£54,379	£81,352	£72,811	£71,547
Strategic fundraising	£12,324	£52,561	£18,055	£25,149	£33,837
General Marketing	£31,301	£63,451	£60,982	£51,260	£51,785
Total projected expenditure	£202,833	£271,658	£261,023	£252,954	£262,779

Department Surplus/ deficit **£764,842** **£749,881** **£738,065** **£881,582** **£880,160**

Total income	£1,364,897	£1,491,064	£1,599,627	£2,363,087	£2,411,538
Total expenditure	£1,329,506	£1,491,064	£1,599,627	£2,307,379	£2,354,099
Balance	£35,391	£0	£0	£55,709	£57,439

Minute of a Meeting of the Mareel Project Board (Construction) held at 4.00pm on Friday 11th September 2009 at the offices of Economic Development, North Ness Business Park, Lerwick

Present:

Gwilym Gibbons, Director, Shetland Arts (Chair)
 Ewen Balfour, Project Manager, H James Nisbet AssocRICS
 Stephen Johnston, Quantity Surveyor, David Adamson Partners
 Katrina Wiseman, Highlands and Islands Enterprise

In Attendance:

Neil McDougall, Financial Controller, Shetland Development Trust
 Louise Morris, Administration & Capital Projects Support Officer, Shetland Arts
 Kathy Hubbard, Arts Development Manager, Shetland Arts

Apologies:

John Goodlad, Trustee, Shetland Arts
 Sarah Molloy, Trustee, Shetland Arts
 Johan Adamson, Trustee, Shetland Arts
 Sandy Blair, Scottish Arts Council
 Neil Grant, Head of Economic Development, Shetland Islands Council
 Hazel Sutherland, Executive Director, Shetland Islands Council
 Mike Finnie, Capital Programme Services Manager, Shetland Islands Council

Item	Topic	Action
1.0	Minutes of the last meeting – 19/8/09	
1.1	The minutes of 19 th August were approved as accurate.	
1.2	Hazel Sutherland has arranged with Graham Johnson to hold £500,000 in addition to the SIC grant payment for this financial year in case of cash flow problems.	
1.3	Neil McDougall asked if the Title Deed had been finalised. Gwilym reported that SADA and HIE lawyers are now progressing with the finalisation of the Deed.	
2.0	Build Programme	
2.1	Ewen reported that piling works was completed on Friday 21 st August. The steel fixer is on site and the rock excavation in the car park is complete.	
2.2.	Scottish Water have now supplied the autocode number which DITT have passed to their subcontractor. Power should be connected to Scottish Water's temporary kiosk in the next week and the pumping station should come down after that.	

2.3	DITT have been working to the draft programme whilst work on the kiosk and pumping station is ongoing. However, it was noted that the final build programme should be available at the next Project Board meeting.	
3.0	Cost Report	
3.1	Stephen reported the contingency spend is £57,972.00 which is less than was previously thought. Stephen tabled a statement of contingency expenditure as requested at the last meeting. He reiterated that given the high risk area of building has now passed the remaining contingency is in proportion to the stage construction has reached.	
3.2	Gwilym asked if there were other distinct construction phases that could be measured against the proportion of contingency spend and the level of risk they represented. Stephen responded that there was not, however once the Scottish Arts Council changes have been fully bottomed out this remains an area of risk.	
3.3	There were no other questions raised on the cost report.	
4.0	Progress Report	
4.1	Ewen reported on the current change requests.	
4.2	<i>Change Request No 25 – Change communication cable from category 5 to 6.</i> This has now been deleted.	
4.3	<i>Change Request No 26 – Addition of backstage blue lighting.</i> Ewen will speak to Mike Finnie about this.	EB
4.4	<i>Change Request No 27 – Back stage storage of flight cases.</i> Ewen has spoken to Sarah Murphy at Gareth Hoskins Architects who has confirmed the painted block work back stage is suitable for the storage of flight cases.	
4.5	<i>Change Request No. 28 – Provision of teaching space on 2nd floor</i> This has not been progressed. There was a previous design done for this space however the architects are requesting additional fees for the design work. Stephen confirmed that for initial costing purposes a sketch drawing is sufficient.	

4.6	<i>Change Request No 30 – Proposal for cabling for electric car re-charging.</i> There is a proposal to include three electric car charging points in the car park. Gareth Hoskins have been asked to cost the provision of the necessary cabling and ducting.	
4.7	<i>Change Request No. 32 – Proposal to install satellite dish mast/receivers.</i> Options are being looked at into where to install a satellite dish and mast. Ron Inglis emailed the spec for this a couple of days ago.	
4.8	DITT report they are 4 weeks behind on the draft programme. Ewen noted that the onus is on them to make that time up.	
4.9	Welfare facilities on site are now complete and the portiloo has been disconnected.	
5.0	Health and Safety	
5.1	There were no health and safety issues to report.	
6.0	Risk Log & Issues Log	
6.1	Ewen tabled the updated Risk and Issues Log. The Project Team have not proposed any changes to the Risk Log.	
6.2	<i>Risk 25 – Possible that contractor will experience difficulties obtaining sub-contractors.</i> It was agreed to lower this risk from high to medium probability.	EB
6.3	<i>Risk 30 – State Aid Challenge</i> It was agreed to lower this risk from high to low probability.	EB
6.4	<i>Risk 35 – Scottish Water – confusion over requirements</i> It was agreed to lower this risk from high to medium probability.	EB
6.5	The Project Board considered whether the new SIC office block should be added to the Issues Log in terms of traffic management during the construction phase. As the project has not yet received planning permission it was agreed to	

	leave off the Issues Log for the time being.	
7.0	AOB	
7.1	Ewen will amend the layout of the budget summary to match in with the most recent evaluation.	EB
8.0	Date of Next Meeting	
8.1	The next meeting is scheduled for 2 nd October 2009 at 4.00pm at Solarhus, Economic Development, North Ness Business Park.	
8.2	The meeting closed at 4.55pm	

SHETLAND ARTS DEVELOPMENT AGENCY

MAREEL

CINEMA and MUSIC VENUE, LERWICK, SHETLAND

CLIENT REPORT No.3 - 11th September 2009

Executive Summary

A Site Progress meeting was held on 25th August and a Project Team meeting was held on the 26th August.

The Main Contractor has reported progress against his draft programme as follows:

Piling works were completed on Friday 21st August. This includes the additional 17 piles required and piling at the existing pump house.

Car park – rock excavation has been completed and work started on grading the site to underside of base course. The soakaway has been excavated and contaminated material has been encountered at the western end of it. The material is being removed to licensed handlers for disposal.

The first deliveries of reinforcement are on site and the fabrication of beam cages has commenced.

The Scottish Water temporary kiosk and subsequent downtakings has not yet progressed to a conclusion with Scottish Water and therefore a clear date for installation cannot be given. *(A progress update on this will be given at the meeting.)*

Mechanical & Electrical drawings have been received over the last two weeks.

DITT Construction Ltd estimate that they are currently 4 weeks behind programme and letters of delays have been sent in this regard.

The financial status of the project is within budget.

Contractual Arrangements

Land purchase of the site is agreed but monies have not yet been transferred.

Funding for the project is in place.

All consultant appointments have been made other than those for additional specialist installations.

Planning consent has been given and the conditions discharged.

Building warrant approval has been received but needs to be revised to show the SAC changes.

Clients Brief

The clients brief has not altered from that set out in the Project Execution Plan.

Client Change Requests

Change Request forms with status

(Numbering from pre-contract issue)

Nr.025	Change communication cable from Category5 to 6. DELETED
Nr.026	Addition of backstage blue lighting.
Nr.027	Back stage storage of flight cases.
Nr.028	Provision of teaching space on 2nd floor (50m2).
Nr.029	Proposal to amend door to double leaf.
Nr.030	Proposal for cabling for electric car re-charging
Nr.031	Proposal for additional window to Recording Studio – Control Room.
Nr.032	Proposal to install satellite dish mast/receivers

Planning, Building Standards and Fire Officer Consent

Those required and status

Planning -	Consent given.
Building Warrant -	Warrant approved.
Fire -	Consulted and issues resolved.

Public Utilities

Scottish Water - Business Stream quotation has been requested.
Power - Scottish & Southern quote has been accepted.
Communications - BT have not yet been approached.
IT - no agreement has yet been reached on the IT support.
District Heating - client has asked consultant to liaise with SHEAP.

Design Team Reports-

Gareth Hoskins Architects report dated 25th August 2009. Elliott & Company Consulting Engineers report dated 25th August 2009; David Adamson & Partners 24th August 2009; Shetland Islands Council, Clerk of Works report dated 25th August, 2009. All as attached.

Health & Safety

CDM Co-ordinator PJP Architects has no issues to report.

Project Master Schedule

The Main Contractor has been asked to supply their final programme for the next Site Progress Meeting.

Tendering Report

Works still to be tendered include:
Venue sound/lighting (tender documents are now complete for issue)
Cinema installation (infrastructure has been incorporated in above document).

Construction Report Summary

Item	Description	% Complete	+ weeks	- weeks	Comments
9	Grade Carpark	50		3.5	
	Foundations				
14	Grade Site	90			
15	Downtakings	75		5.5	
16	Demolish Pmp Stn	0		5	
17	Piling	100			Complete
19	Trench fill	0			Deleted
20	Beam founds	0		4	Reinforcement delay
21	Lift Pits	0		3	Reinforcement delay
22	U/G Ducts	0		2	Reinforcement delay
23	Drainage	0		2	Out of sequence work
26	Concrete Col	0		1	

Financial Report

Appendix A.

Appendices

Risk Log /Change Log /Issue Log all to be issued at meeting.



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Report for Site Progress Meeting No2 25 August 2009 ✓

Issued information

28 July 2009	Preliminary query to Visqueen about tanking to ducts Coordination of duct openings with HH
29 July 2009	Preliminary query to RIW about tanking to ducts
31 July 2009	Comments on CADS Reinforcement Details
03 August 2009	Drawing issue Ground Floor Slab and Walls Engineers Instruction S01 for Moving piles adjacent to sea wall and change to piling throughout in lieu of trench fill
05 August 2009	RIW tanking spec and sketches issued for comment/coordination
06 August 2009	Alterations to Pile 77 location to suit obstruction Coordination with GHA for blockwork setting out
11 August 2009	Drawing issue foundation through to second floor slabs and walls Comments on CADS Reinforcement Details
12 August 2009	Drawing issue Sections and Ground floor slab details
14 August 2009	Comments on CADS Reinforcement Details Amended positions of piles at Scottish Water Pump House to allow piling works to continue uninterrupted
17 August 2009	Engineers Instruction S02 for Piles at SW Pump House, Soakaway and Contamination
18 August 2009	Drawing issue of revised foundations and slab
21 August 2009	Comments on CADS Reinforcement Details

Meetings / Site Visits

30 July 2009	Meeting with RIW to go through specification of duct tanking (RD)
14 August 2009	Site Visit to review Car Park, Piling, Sea Wall (RD) Meeting with DITT to go through current issues.

Information worked on

Reviewed specification from Alex Wardle for Lighting Equipment and associated support. Lighting gantry information to be updated for construction.

Steelwork connection details draughted.

Roof steelwork details for construction.

Information to Issue

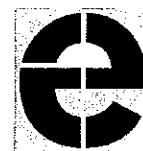
Response to outstanding RFI's – 21N° received to date from DITT – RFI-17 (Duct waterproofing to respond to – awaiting coordination information from HH). (note RFI-05 not received)

Response to outstanding RFI's – 8N° received to date from CADS – All structural queries responded to.

Steelwork details

Updated lintols to Auditorium duct openings

Confirmation of extent of blockwork reinforcement and blockwork movement joints for construction



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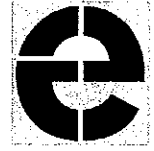
Information Required

Acoustic duct lining from HH for coordination of tanking requirements below slabs

Results of Pile Integrity Tests from DITT

Elliott & Company

25 August 2009



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Notes on Action Points to Progress Meeting 01

- 2.17 There are no further joints on the drawings requiring contractors design input than at Tender stage. Day joint positions are indicatively noted on drawings but these will depend upon extent of concrete pours by contractor. Final positions will be determined by DITT but should take into account and be fully coordinated with any finishes requirements.
- 3.10 E&Co to review car park build up. Noted at site visit that DITT are to install car park up to subbase level to provide a working area and that kerbs and surfacing are to be left until end of contract.
- 3.11 Drawing is being updated to combine drainage outfalls from café area.
- 4.02 Amended pile positions around pump station provided 14 August 2009 to allow piling to completed in one site visit.
- 4.03 Trench fill at entrance foyer/cinema deleted. Mass concrete fill below ground beams on west of cinema to suit ground levels.
- 5.06 Refer to 2.17 above.

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Progress up to 24th August 2009

- 1 Car Park excavations etc.being remeasured as information received
- 2 Substructure also being remeasured as information received
- 3 Mechanical drawings received from HH showing revised SAC scheme
As the original billing was carried out by a CAD interface the extent of changes would indicate a re-billing exercise.
- 4 Electrical drawings have just been received from HH and are currently being reviewed for re-billing
The extent of change here indicates that billing amendments rather than a complete rebill will be appropriate
- 5 We are working in conjunction with GHA on SAC changes
- 6 A format for drawing revision issue and AI will have to be firmly established.
- 7 Paper copy of BoQ incorporating VE changes issued to CoW.

David Adamson & Partners

24th August 2009

Clerk of Works progress report on Mareel as at Tuesday 25th August 2009.

DITT took possession of site on Monday 1st June 2009 following the turf cutting ceremony on Saturday 30th May 2009. They immediately started herras boundary fencing to car park area and excavations for site accommodation building foundations.

Throughout the month of June 2009 work progressed steadily to the site accommodation building in the car park area, and Mareel building site was completely fenced in.

Work began to Mareel building on the 6th July 2009 as per programme and by the 20th of July footprint of building was prepared for piling subcontractor to start as per programme.

Piling- During the piling works areas of shattered rock were encountered. This required additional grouting and re-drilling after 3 days to some of the piles so as the integrity of the piles in this area could be ensured. One pile had to be repositioned as a reinforcing bar was struck by the rock drill and could not be passed and one pile was omitted. The piles have had to be bored much deeper than originally proposed due to shattered rock and rock heads being deeper than anticipated. The sections of foundations to have trench fill concrete at gridlines 8,9,10, and 11 was found to be in excess of 3 meters deep and the ground condition was found to be boulder clay. After consultations with Elliot & Co. it was decided, and DITT instructed to insert piles in these sections. Revised foundation drawings were issued for this work to be done and the positions of the piles at Scottish Water pumping station revised so as they could be installed before the building is demolished.

This additional piling took the subcontractor an additional week and they completed their work and left Shetland on Friday 21st August 2009 one week behind programme. The piling sub contractor ran out of Reader G80 high strength grout and the final piles were grouted with Rugby OPC/PFA high strength cement, which unfortunately they failed to make any cubes for testing.

The integrity of some of the piles was tested week ending 23rd August and the test results are to be issued in due course. Tester reported verbally no problems with all piles tested

Foundations- No work has been done on the ground beam foundations, demolition of Scottish Water pumping station building; lift pits, the underground drainage and services into the building.

The car park is generally on programme and there has been revised drawings issued for change of levels to reduce the amount of rock to be removed, and installation of one large soak away for surface water.

During this work a section of diesel fuel contaminated ground was encountered to the west of the soak away, which Elliot & Co. has instructed to be removed. The contaminated water was removed from this area by suction tanker and a section of this material was removed from the soak away on Friday 21st August. After the heavy rain on Sunday 23rd August no fuel contamination was in the west end of the soak away on Monday 24th August 09. This end of the soak away was completed on 24th August and the contaminated area to west of soak away was started to be removed on 25th August. After approx 20 tonnes were removed no further contamination was encountered and the area was covered with clean hardcore. There is still a section of contaminated ground on the east side of Browns Road boundary wall. Samples have been taken by COW and DITT site agent on Tuesday 25th August of contaminated material out of bottom west end of soak away and area inside west boundary wall and recorded and digital photos taken,

DITT temporary site accommodation building is due to be completed week beginning 24th August 2009 and the Clerk of Works office was ready week ending 23rd August 2009.

The weather has been very good over the last 12 weeks and the contractor has taken measures to control the dust and keep access to Shetland Museum clear and tidy.

Charlie Grant COW Mareel Project. 24th August 2009.

LCM - site progress meeting 02

25 August 2009

Progress Report on previous period:

- Coordination of design team construction information, specifically tanking of below ground ducts, dry riser inlet at stair 02, & works associated with incoming services.
- Coordination of amended M+E design proposals to reflect SAC changes.
- Review & coordination of construction information associated value engineering item 1.1 rainscreen cladding.
- Review RFIs 13-21

Anticipated actions over next period:

- Coordinate value engineered rainscreen & aluminium finishes and issue external cladding packages.
- Issue setting out of timber structure
- Respond to RFIs (ongoing)

Information awaited or outstanding:

LCM_11_GHA progress report 02_2009-08-25.doc

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Minute of a Meeting of the Mareel Operations Sub-Group held at 4.00pm on Wednesday 22nd July 2009 at the offices of Shetland Amenity Trust, Lerwick

Present:

Gwilym Gibbons (GG), Director, Shetland Arts
Kathy Hubbard (KH), Arts development Manager Shetland Arts (minute taker)
Bryan Peterson (BP), Music Development Officer, Shetland Arts
Joanne Jamieson (JJ), Board Member, Shetland Arts
Roxane Permar (RP), Lead Artist, Mirrie Dancers
Mark Burgess (MB), Board Member, Shetland Arts
Rick Nickerson (RN), SIC Cultural Spokesperson

Apologies:

George Smith (GS), Director, Shetland College
Hazel Sutherland (HS), Executive Director Education and Social Care
Katrina Wiseman (KW), Head of Transformational Projects, HIE
James Sinclair (JS), Board Member, Shetland Arts

Item	Topic	Action
1.0	Introductions	
1.1	Gwilym welcomed everyone to the first meeting of the Mareel Operations Group. The Group's remit is to provide advice and support to SADA with regard to the planning activities relating to the operation of Mareel.	
2.0	Update	
2.1	GG reported that the construction work had started on 6 th July. Matters were still being finalised with Scottish Water over the demolition of the pumping station and the re-siting of the equipment. GG gave a resumé of the site and its environs, and went through the Project Execution Plan with the meeting. He also took the meeting through the revised floor plans, explaining the changes and alterations.	
3.0	Operations	
3.1	RN asked about the consultation process. GG explained that there had been stakeholder meetings at regular intervals up to this point, but that this would need to be re-visited as the project was moving into a new phase. He emphasised the need to be clear about the purpose of the consultation, e.g., that we were not setting up a Management Committee; rather, it was intended to raise awareness, exchange information and ideas, find out how people would like to be involved and what they would like to see happening at	

Mareel.

RN said he would like to see feedback from all the stakeholder sessions that would be taking place. GG said that this would be reported back to the Operation Sub-Group. He reminded the meeting that consultation had been ongoing since the Stage 1 Lottery application process, and that the organisation had already started preparations for the operation of Mareel with a proposed re-structuring of the organisation.

GG went over the staffing structures currently in place and the proposed structure for 2010 onwards. (KH left the meeting at 5.15pm).

4.0

4.1

An action plan/timetable had been prepared for the Stage 2 Lottery Application. Although changes in the timescale now meant that this would need to be re-visited, it provided a useful blueprint. There was some discussion regarding the further development of an Action Plan, and the role of the Operations Group. GG said that SADA would prepare an outline Action Plan in time for the next meeting.

GG/SADA

5.0

AOB

5.1

There was no other business.

6.0

Dates of further meetings

6.1

The meeting closed at 6.15pm