



**FCT Board Meeting
Wednesday 14th March 2018 – 5.30pm
Ground Floor, Iona House, Kirkcaldy**

Present: David Caldwell (DC), Brian Lawrie (BL), Frank Quinault (FQ), Fiona Davidson (FD), Cllr Graham Ritchie (GR), Sarah Scarlett (SS), Derek Bottom (DB), Nic Beech (NB), Cllr Ian Cameron (IC)

In Attendance: Heather Stuart (HS), CEO
Michelle Sweeney (MS), Director of Creative Development and Delivery
Kirsty Keay (KK), Director of Corporate and Commercial Development
Scott Clelland (SC), Operations Manager
Anne Chalk (AC), Company Secretary

Andrew Stokes (AS), Programme Manager, Fife Council

	Apologies	Action
	<ul style="list-style-type: none"> Apologies were received from Cllr Lesley Backhouse; Cllr Jane Ann Liston 	Info
	Welcome	
	<ul style="list-style-type: none"> DC welcomed everyone to the meeting and thanked them for their participation at the Board Development Day. DC formally welcomed our 3 new Board Members and Scott Clelland to the meeting. Around the table introductions were made for the benefit of the new members. 	Info
1.	Pre Board Reflective Discussion in Key Issues (including Board Membership Changes)	
	<ul style="list-style-type: none"> It was noted that Cllr Davidson had resigned and Cllr Ian Cameron has now been appointment by Fife Council as the new partner director. 	Info
2.	Minutes of the Last Meeting of 11th October	
	<ul style="list-style-type: none"> The minutes of the meeting were recorded as accurate. 	
3.	Matters Arising / Action Points Table	
	<ul style="list-style-type: none"> Action Points Table to be updated and completed actions removed. 	JA

	<ul style="list-style-type: none"> As discussed at the last meeting actions have been colour coded – red, amber and green to highlight any areas of concern to the Board. Most of the amber points are already on the agenda for discussion at tonight’s meeting. Item 4 – a paper has not been submitted for this item but a presentation has been prepared by KK. Item 12 – a lunch is being arranged for Jenni Steele to mark her time with the Trust. A suitable date/time is proving to be challenging. Item 14 – Skills Matrix Forms/Register of Interest Forms to be sent to all new Board Members. 	<p>Info</p> <p>JA</p>
4.	Declarations of Interest	
	<ul style="list-style-type: none"> There were no declarations noted in relation to the business of the meeting. 	Info
5.	New Operations Manager – Scott Clelland	
	<ul style="list-style-type: none"> Scott Clelland the new Operations Manager had been invited to the Board Meeting to give an update on his progress to date. <p><i>The Chair gave thanks and welcomed to Scott to the Trust. It was good to hear your comments and hopefully we will see you attending more Board Meeting in the future.</i></p>	Info
6.	St Andrews Local Office Integration – Report by Andrew Stokes, Fife Council – Paper 1 – For Discussion	
	<ul style="list-style-type: none"> Andrew Stokes is the Programme Manager with Fife Council with responsibility for the Integrated Facilities Programme. St Andrews Local Office on St Mary’s Place has been identified as being surplus and has to be disposed of. The Council has too many buildings, more than they can continue to afford. They are proposing to relocate the Local Office Services from St Andrews Local Office to St Andrews Library and are seeking the approval of the FCT Board. Over the years a number of potential options have been considered but the Town Hall remains the long term aspiration. In order to make the building suitable for services to be relocated from St Mary’s Place, it requires significant refurbishment and associated capital investment. Currently the Council does not have this level of investment. However given the Committee’s decision and the nature of the building, the Town Hall is being considered as a longer term solution. Discussions have taken place with Fife Cultural Trust to explore the potential of Local Office Services being relocated to St Andrews Library, operating under the same model as those recently implemented at Burntisland Library. An agreement in principle was made based on the successful model in Burntisland and the lessons learnt from this project, but this is subject to the approval of the Fife Cultural Trust 	Info

	<p>Board.</p> <ul style="list-style-type: none"> • It was stressed than any additional revenue costs would not be the responsibility of Fife Cultural Trust. • If the proposal were to be approved, The Council's Communication Team along with FCT colleagues, would provide support by way of a communication plan and the Asset Management Team would provide project support from start to implementation. • The Board felt that branding it important, it's an issue that needs to be addressed as the public are already confused about who runs libraries. • A training programme would be progressed which would involve Customer Services Advisors working with library staff to bring them up to speed on the types of enquiries and the nature of the business they would be dealing with. • This training programme has already been established in other areas, such as Kelty, Burntisland etc, to ensure there was a smooth transition and to provide support to staff. • After discussion the Board agreed that subject to a feasibility on the capital investment and due diligence they would approve the proposals outlined in the report. <p><i>The Chair thanked Andrew for attending the meeting.</i></p> <p><i>Andrew Stokes left the meeting</i></p>	Info
7.	Adam Smith Theatre, Vision for the Cultural and Creative Hub – For Information	
	<ul style="list-style-type: none"> • Adam Smith Theatre, Vision for the Cultural and Creative Hub – a presentation by Kirsty Keay. 	Info
8.	2017/18 Year End Financing Update – Paper 2 – For Discussion	
	<ul style="list-style-type: none"> • BL reported that this report only provides slightly more up to date information that what was prepared for the F&A Committee Meeting in February. • The forecast outturn of the Trust is to be break-even. • There are some sensitivities in relation to casual staffing costs in the forecast outturn. The mitigation actions are outlined in the paper. • We have been presented with an invoice from Fife Council Catering Services and it is prudent to record it as a potential budgetary pressure if this cannot be rescinded the Trust is likely to face a deficit situation at the end of the year. • For the benefit of the new members KK reported that our financial systems sits within Fife Council. We receive a data dump on a monthly basis after the end of the month so we are almost operating blind. • Because of this delay our management accounts are done in week 2 or 3 of the month. 	Info
9.	Budget Position 2018/19 – Paper 3 – For Discussion	
	<ul style="list-style-type: none"> • The aim of the report is to provide the Board with information about the proposed management fee and associated financial 	Info

	<p>proposals for 2018-19 and the potential impact that these will have for the Trust operations.</p> <ul style="list-style-type: none"> • In total the pressure on the budget is potentially £365k. • Fife Council have indicated that they recognise the difficulties we face meeting inflationary uplifts due to the restrictions on our business in being able to generate income. • Subsequently an additional £66k may be added to our management fee to help cover these costs. • We are working with Fife Council to negotiate a re-phasing of the previously agreed savings of £130k over a longer period to make this more achievable. • This means that going into 2018-19 the Trust may only have £169k to find, alongside a longer term strategy to achieve the £130k savings. • Following a meeting with Fife Council in March it is likely that the presentation of the management fee for 2018-19 will be altered to take account of Clause 6.6.6 in the Services Agreement which states that the fee should reflect the effect of any changes to the Authority’s inflation policy that relates to pay and service awards. • The Trust has longer term ‘spend to save’ proposals that are to be considered by Fife Council and business cases will be written to substantiate these plans with a view to securing the necessary investment. <p><i>The Board were content to approve the recommendations in the report and seek clarity from Fife Council on the management fee and associated financial proposals.</i></p>	
10.	<p>Fife Council Final Catering Position – Paper 4 – For Decision</p> <ul style="list-style-type: none"> • Fife Council Catering, Cleaning & Facilities management operated the catering at four FCT venues from April-Oct 2017 trading a loss of £64k during that period. • Despite requests for further information regarding income and expenditure, only top line information has been presented and is questionable compared to figures from the previous financial year. • This report was initially presented to the F&A Committee to highlight the impact on the Trust, and make recommendations to the Board regarding the next step. • BL reported that the position hasn’t change since the report was submitted to the F&A Committee but more discrepancies have been uncovered. • However we are now seeking a decision from the Board on how to proceed. • The analysis historically supplied for catering has always made the task of trying to find out what costs that were apportioned very difficult. • However we now have more skill within the organisation for catering to apply the due diligence required. • After discussion BL asked the Board to support his recommendation not to pay the invoice because it would put us in a deficit situation and we should therefore ask the Council to cover the costs. 	<p>Info</p> <p>Info</p>

	<ul style="list-style-type: none"> • Due diligence need to be completed before any final decision is made but if we are expected to meet these costs we would expect a variation in the management fee, as provided for in the Services Agreement • There is a real potential for political and relationship risk and these are important to the Trust, however, it was agreed that we need a better analysis on the figures from Fife Council. • If an agreement can't be reached this item should be brought back to the Board for escalation to Senior Managers within the Council. <p><i>A unanimous decision was recorded by all Board Members not to pay the invoice and to escalate to Senior Managers in the Council if necessary.</i></p>	
11.	Board Recruitment – Paper 5 – For Decision	
	<ul style="list-style-type: none"> • The aim of this report is to provide the Board with a proposal for moving forward with a different strategy and approach to Board recruitment with a view to engaging interest from people from more diverse backgrounds. • Recent recruitment used “traditional” methods of advertising to reach interested parties. This resulted in seven applications from people leading to three interviews and two appointments. • It would be good to examine not just the gender balance but also the age issue. • The skills matrix identified the gaps that we need to address. • We seem to be very good at encouraging interest from generalists but we need to have a more targeted approach the find the missing skills that are required on the Board. • Our adverts are very traditional and lengthy – the focus largely on what we want from the individual and make few commitments about what a Board Member can expect in return. • The language is very formal and as such it is likely to only engage people from well-educated backgrounds who are comfortable operating in Board room environments. • We need to change the language in the advert to include more personality about FCT, our vision and our charitable aims. • To encourage applications from younger people change the length of the term in office from 3 years to 1 year and offer training and development opportunities, we have got to be able to give them something back. • Target specific companies for staff who have dedicated or specific skills e.g. Sky, Shell. • Attracting people in training and mentorship before application might help. • There are still currently 2 vacancies on the Board and it was agreed that this should be discussed further by the HR Committee to proceed as appropriate rather than waiting for the Board to make any final decisions. • Pause and look at the wider issues, be a bit more ambitious and look and think more creatively. • It was suggested that the HR Committee could come back 	<p>Info</p> <p>Info</p>

	<p>with suggestions about how the Board might work differently and as a result might allow a different discussion to take place with the full Board.</p> <ul style="list-style-type: none"> • KK to convene a meeting of the HR Committee to discuss board recruitment. Board Members to be contacted to see if they would be interested in attending. • It was also suggested DC should contact the Council to ask if we need to have 4 elected members on our Board and also to address the issue of non-attendance at meeting. • MS reported that we are currently investing in training on EDI and board training is included in these sessions. • Wider community engagement to be looked at and the groups that we should target – Youth Parliament, Fife College, Fife Asian Society, volunteers at Dunfermline etc. <p><i>The Board agreed with the recommendations outlined in the report.</i></p>	<p>KK</p> <p>DC</p>
<p>12.</p>	<p>Gender Pay Gap Reporting – Paper 6 – For information</p>	
	<ul style="list-style-type: none"> • CR reported that the Government is asking organisations to put in place progressive practices, and sign up to the ‘Partnership for Change’. • While the focus is on gender balance a more modern, progressive and open-minded, meritocratic approach would encompass a range of characteristics; age, race, religion, disability, gender and transgender. • The Trust needs to submit a Gender Pay Report by 31st March to meet our legal requirements as an employer. • 2182 organisations have already published their figures on the government portal. • It was reported that our staff have been slightly hampered by information not forthcoming from Fife Council. • At the present time we are reporting a negative gender pay gap because we have a high proportion of women in the pay force. • CR noted that it will take some time to close the gender pay gap but hopefully by this time we might have made some progress to address the situation. • Casual workers that are on the books during a particular year must be included in the report. • We need to be clear on figures when reporting and more narrative needs to be included. • FD asked if the paragraph at the end of the report could be reworded – “closing” the gender pay gap was mentioned twice at the end of the report. • CR would make the necessary changes and recirculate the report to everyone. • There is a reputational risk associated with this report as the gender pay gap between females and males is substantial and this is unusual. • It might be considered newsworthy and we will be proactively working with the Communications Officer to ensure that any external messages have been agreed in advance of the report being submitted and available for public viewing. 	<p>Info</p> <p>CR</p> <p>Info</p>

	<i>The Chair thanked Caroline Rochford for her report and for her attendance at the meeting.</i>	
13.	Chief Executive's Update Report – Paper 7 – For Information	
	<ul style="list-style-type: none"> This report was prepared for information purposes for the Board. 	
14.	Performance Report – Paper 8 – For Information	
	<ul style="list-style-type: none"> This report was prepared for information purposes for the Board. 	
15.	Updates from Conveners of Finance and Audit and the HR Committee	
	<p>HR Committee</p> <ul style="list-style-type: none"> FD would like it recorded in the minutes that the Volunteering Policy that was prepared for the HR Committee Meeting was an excellent document, it was pitched perfectly. Huge thanks to Lesley McNaughton who had prepared the policy. The report on HS1 forms which are completed by staff in the various venues is useful but less detail is required. We only required numbers and trends to be reported not the detail which lies in the hands of the Ops Team. If it is necessary any information that causes concern will be raised at Board level. New Board Members to be approached on membership on the various Committees. <p>Finance & Audit Committee</p> <ul style="list-style-type: none"> A very good F&A Committee Meeting with good level of debate and discussions. BL reported that a very good meeting was held with Brewin Dolphin re our investment portfolio. We are moving the risk level on our investment portfolio to 5 and it is intended to review again late 2018/early 2019 with the possibility of going to level 6. Our cash flow is in a better position and this was due to catering now being provided in-house. There were discussions around the new accounting system and it was agreed that we should trial Xero, it's not expensive and we can cancel at any time if necessary. He also reported that he is exasperated by Membership on the various Committees and is hoping that because we have new Board Members that this issue will be addressed asap. <p>FCSTL</p> <ul style="list-style-type: none"> BL suggested that it would be useful to have another member from the full FCT Board on the Trading Sub. He reported that the revenue generation for the Trust goes through the Trading Subsidiary. SS said that she would be happy to join the Trading Sub Committee. BL reported that it would also be helpful to find another external member for the Trading Sub. 	<p>Info</p> <p>Info</p> <p>Info</p>

16.	AOCB	
	<ul style="list-style-type: none"> • HS would like it to be formally recorded in the minutes of the meeting that the FCT Board and the Exec Team would like to pass on their thanks and appreciation to staff who made the effort to get into work during the recent bad weather, ensuring that buildings were opened, where possible, and a level of service was maintained for the public. • Bill Fletcher, of the Alhambra, has signed the Dunfermline Theatre Agreement. Thanks to Michelle and her team and the Board Members who have been very supportive during this process. • DC reported that this is Anne Chalk's last Board Meeting as she has decided to retire. The Board thanked her for all her hard work over the years and wished her well for the future. 	Info
17.	Post Board Feedback Session	
	<ul style="list-style-type: none"> • There was no Post Board Feedback Session. <p><i>All members of the Executive Team and Anne Chalk left the meeting to allow the FCT Board Members to continue with the Chair's Business.</i></p>	
18.	Date of Next Meeting	
	<ul style="list-style-type: none"> • Wednesday 6th June 2018 @ 5.30pm Venue to be confirmed 	
19.	Chair's Business	
	<ul style="list-style-type: none"> • A private and confidential session took place with Board members only 	