**Present:** David Caldwell, Chair (DC)

Brian Lawrie, Vice Chair (BL)

 Derek Bottom (DB)

Gemma Butterfield

Fiona Davidson (FD)

Frank Quinault (FQ)

Councillor Ian Cameron (IC)

Councillor Dave Coleman (CDC)

Councillor Jane Ann Liston (JAL)

**Attending:** Heather Stuart, CEO (HS)

Kirsty Keay, Director of Corporate and Commercial Development (KK)

Michelle Sweeney, Director of Creative Development and Delivery (MS)

Martina Kutzer-Prenzlow, Head of Finance (MKP)

Dallas Mechan, Museums and Heritage Service Development Manager (DM)

Lisa McGrotty, Head of HR (LM)

Julie Aitchison, Corporate Business Co-Ordinator

**Apologies:** Zuleika Brett, Sarah Scarlett, Councillor Lesley Backhouse, Paul Vaughan (Fife Council; invited as an observer to the meeting)

1. **Welcome and Apologies**

DC welcomed everyone to the meeting and introduced CDC to his first FCT Board Meeting, apologies were noted above.
2. **Declarations of Interest**

None noted

1. **Minutes of the Meeting 26th June**

DC noted an amendment to item 7, the Board approved the minute.

1. **Matters Arising**

DC confirmed all outstanding items had been completed or were in hand and asked for questions from the Board.

DC asked for more information around item 11, HS advised that evidence and data gained from the ongoing strategic planning work would form the brief for the planned economic and social impact study previously discussed.

Regarding item 1, FD advised that she had suggested changes to the register of interests to make it easier to complete. KK advised that an explanation detailing the purpose of the register of interests would be drafted, re-circulated and also added to the induction pack.

*Action – Register of Interests to be revised and re-circulate for up to date completion and included in the Board induction pack.*

Guidelines around complimentary tickets for the Board were approved. FD suggested these were distributed with the minutes to all Board members.

*Action – Complimentary tickets guidelines to be distributed with the minutes (and also included in the Board induction pack)*

1. **Accounts and Audit Report – Papers 1-3**

KK noted an amendment to Fife Cultural Services (Trading) Ltd (FCSTL) accounts and highlighted an issue with version control at Scott Moncrieff due to a key member of staff being on maternity leave who had gone off on leave much earlier than planned. KK thanked the members of the board who took the time to review the draft accounts and analyse them against the content that was provided.

KK drew the Board’s attention to the trustees’ report and the financial review section of the accounts. KK went on to provide an explanation of how pension and charity reserves were reported before welcoming questions from the Board.

BL noted the importance of FCSTL and the positive difference that our trading activity makes to the bottom line of the group and charity. BL asked if Scott Moncrieff were satisfied with the audit management report as he felt the figures in appendix 4 did not necessarily agree with the accounts. They have provided comparative figures that in his view are not correct. BL went on to enquire when the procurement process for an auditor is due to start.

KK advised that it is her intention to host a wash-up session with the auditor to review the issues highlighted. The procurement process for an auditor is due to start before the end of the year to ensure there is time for a handover; the process for procurement and timings will be agreed at the AGM.

There was further discussion around improving FCT’s financial stability, the audit experience this year compared to last year and the diversity of the services FCT offer as detailed in the trustees’ report.

The Board approved the FCSTL and FCT accounts and thanked KK and the finance team for the hard work that had gone into producing a good outcome.

*Action – Arrange wash-up session with the auditor to review the issues highlighted*

*Action – Start procurement process for auditor, to be added to agenda for AGM on 4 December 2019*

*Action – Update FCSTL accounts and audit management report and when completed re-circulate*

**6. Chief Executives Report – Paper 4**

HS advised that she is pursuing urgent formal confirmation of the management fee. The Board noted it was unfortunate that Paul Vaughan was not available to attend this meeting to explain to the Board the challenges faced by Fife Council. This would have provided useful context. Although FCT’s management fee has been confirmed in terms of the overall savings required as per original negotiations, we are awaiting formal approval for some of the saving areas that had required FCT to initiate the change controls process, and also to reflect the significant time that has passed since the original savings proposals were submitted. The management fee was reduced based on the original savings discussed with Fife Council on 1 April 2019.

However, as no formal agreement has been made around some of the saving areas and as we are still providing these services, this leaves us with an unresolved financial position and a budget deficit of approximately £150k which the management team are working to address, including through discussions with Fife Council regarding rephasing of savings already taken and seeking an audit trail response with regards to the change control proposals submitted.

Although the political administration have outlined a verbal position that the Schools Library Service, proposed as a saving, should continue, no formal written confirmation has been provided of this in response to the change control proposal submitted and there has been no formal response to the other change control proposals submitted. The spend to save proposals have been approved in principle, and given the 12 months which have passed since their original submission, a rephasing of the return on investment cycle is also being prepared

BL added that during a meeting with the joint leaders and staff 4 weeks ago it had been suggested that a formal position was in the process of being sent out but this, as yet, has not been received.

FD asked if there was anything the Board could do to help support this process. BL suggested sending a letter to the joint leaders outlining the current unresolved financial position.

KK provided an overview of the Adam Smith Theatre (AST) Cultural and Creative Hub project, the planned engagement with staff, stake holders and community and the key deliverable dates. There was further discussion around ring fenced and capital funds, volunteers and engagement with other trusts and organisations that have embarked on similar projects.

CDC asked who will manage the project and budget and be responsible for hiring the contractors. KK confirmed that it will be a joint enterprise between Fife Council and FCT, and that Fife Council will appoint a project manager who will work with us on different elements of the build, given that the Council owns the building and is providing the majority of the funding for the redevelopment. The public sector procurement process will be used to appoint contractors. It was agreed that a separate meeting will be arranged to discuss this in more detail with CDC and to answer any queries

*Action – Board to send a letter to the joint leaders outlining the current unresolved financial position*

*Action – Meeting to be arranged with KK and CDC*

1. **Strategic Development Update**

HS provided an update on the development of FCT’s strategic priorities following feedback from the Board and leadership team. There were questions from the Board around how staff will perceive the strategy, what the key priorities mean to different people, not being defined by our constraints and customer engagement. There was further conversation around the thematic goal of improving organisational sustainability and how this will change over time depending on business priorities. KK outlined the types of data that will be reviewed and the 90-day planning cycle around this.

IC advised that trust within the workplace and staff engagement would be key to the successful delivery of the strategy. MS provided further details around how the strategy would be packaged and presented to staff.

CDC suggested that Board members could go out to our venues and work for the day to engage with staff and gain a greater understanding of the Trust. HS welcomed this suggestion and confirmed she would be happy to explore this further with any interested Board member.

The Board agreed the narrative and content of the proposed strategy for further refinement by the management team and subsequent engagement and involvement of staff

1. **Performance Reports – Paper 5 and 6**

DC asked the Board for any questions relating to the papers. IC asked about theatre income v expenditure, MS provided information around the current position and how this is being addressed. BL suggested that process mapping from booking a show through to delivery, ensuring engagement with other areas of the business, would be helpful, and a similar discussion had taken place at Finance and Audit Committee.

CDC requested guidance around the financial breakdown; a meeting will be arranged to discuss this and the AST project (action item 10)

DC noted that E-Resource has seen a 121% increase due to the hard work of Christine Cook in libraries service development and her team promoting this service through social media and our libraries. The Board requested that their thanks and appreciation should be passed on to her.

GB requested further information around “google my business” and customer feedback.

JAL asked how museum attendance at St Andrews correlates to the reduction in opening hours and if people know when the museum is open. KK advised that there is no correlation; visitor attendance has been affected due to the scaffolding outside, recently in particular, and people thinking the museum is closed which it has been difficult to find a logistical solution for, but those essential works are now completed.

*Action – The Board’s thanks and appreciation to be passed on to CC*

*Action – More information relating to “google my business” and customer feedback to be provided to GB*

*CDC left the meeting.*

1. **Board Highlights Report – Paper 7**

The paper was taken as read, no comments or questions.

1. **Updates from Conveners – Papers 8-11**

The Board approved the Board Expenses Policy.

1. **Focus on Creative Development**

MS suggested a change to the structure of future Board Meetings to put a focus on creative development. This would involve the spotlight being on 3 different areas, relevance and service development, partnerships and creative development and key pieces of strategic work for an hour at the end of every meeting. MS outlined topics that may be carved into each of these areas including making time for open discussion. MS asked the Board for feedback.

FD suggested this type of discussion may be better placed at the start of Board Meeting. MS advised that she has experienced this working very successfully at other Board meetings and feels that the different type of engagement lands better with people and reenergises the room at the end of the meeting. The Board agreed they were happy for this to be added to the agenda for future meetings.

MS provided an overview of the TRG project to date and the work involved in providing the data for the baseline assessment presentation due to take place next week that the Board was invited to.

MS introduced DM who outlined the museums service review currently underway and welcomed questions from the Board. There was further discussion around upcoming exhibitions and the ideas and opportunities being proposed around these. MS noted how inspirational it was going through the museums service review with DM and how she had shown tremendous passion and leadership with her team.

DB noted how, in his position as Chair of Dunfermline Heritage Partnership, working in partnership with the team at Dunfermline Carnegie Library and Galleries is really exciting and how they have been at the centre of DHP’s journey.

 *Action – Board to be sent an invitation to the Museums Review Workshop*

1. **AOCB**

DC invited comments from the Board around the structure and content of the Board meeting. FD felt that the content was good and productive and asking for questions to be submitted in advance was a positive step forward. JAL requested further clarity around some of the items raised. HS suggested that JAL, or any Board member, could arrange an individual meeting at any time with her or another member of the executive team to go over anything raised at this or any future meeting in more detail. A suggestion was made that it would be useful to have a template/process which was consistent and clear for Board members for submitting any advance questions.

*Action – process and potentially also a template to be developed and shared with the Board to support questions of clarification in advance of Board meetings, to ensure meetings are as effective as possible.*

1. **Chairs Business**

All FCT staff were asked to leave the meeting for the Board’s usual planned session in private. DC presented for discussion an overview of the one-to-one interviews he had held with each board member.

**Date of Next Meeting and AGM: 4th December 2019**