**CULTURE NL BOARD MEETING**

**MINUTE OF BOARD OF DIRECTORS**

**HELD IN**

**MEETING ROOM, MOTHERWELL CONCERT HALL AND THEATRE, MOTHERWELL ON MONDAY 24 AUGUST 2015 AT 1.30PM**

**Present:** Heather McVey (Chair)

 Alison Denvir

 Michael McPake

 Alan Stevenson

 Harry Curran

 Jim Law

 Allan Graham

 Tom Curley

 Gillian Hunt

 John Lambert

 Karen Fleming

 David Craig

**In Attendance:** Jillian Ferrie, Chief Executive, Culture NL

 Paul Hughes, Head of Financial Services, NLC

 Barbara Philliben, Learning & Leisure Services, NLC

 Hugh MacMaster, Accountant, Culture NL

Fiona Ekinli, Principal Solicitor, NLC (Company secretary)

Evelyn Ross, Trainee Solicitor, NLC

**Apologies:** Adam Smith

 Lizanne McMurrich, Head of Education (Skills and Lifelong Learning), NLC

1. **Apologies**

Apologies were noted.

The Chair proposed that declarations of interests from board members should follow apologies and become a standing item on the agenda.

Allan Graham (AG) declared an interest in Agenda item 4 and Karen Fleming (KF) declared an interest in Agenda items 5 and 7.

1. **Minutes of previous meeting**

Minutes were presented to the Board.

Harry Curran (HC) proposed and Michael McPake (MMP) seconded.

1. **Matters arising from the Minutes**

There were no matters arising from the minutes.

1. **Update report on Cumbernauld Community Enterprise Centre**

AG excused himself from the meeting.

Jillian Ferrie (JF) presented to the Board a report providing an update on the Cumbernauld Community Enterprise Centre development following receipt of an updated business plan from NLC which will inform the operating model for the centre.

JF advised that NLC are keen that Culture NL operates the centre. There are a number of risks associated with this, which have been previously highlighted to the board. The development is expected to be completed in June 2016. It has been identified that additional operational and financial resources will be required. Conservative income projections indicate that 30-55% capacity of the office units could be secured in the first 4 years but there will be a deficit over this period. Culture NL will also be liable for the non-domestic rates for empty commercial units. Accordingly, Culture NL will approach NLC with a view to securing funding to support any potential loss incurred through the commercial space in accordance with financial projections.

Alan Stevenson (ASt) asked what is meant by an “appropriate charging regime” at paragraph 4.5 of the report. JF advised this would involve separate rates for business and community lets. The Chair stated it would be necessary to ensure that the rates are viable for community groups and do not impede the sustainability/growth of businesses in the commercial spaces.

Tom Curley (TC) asked for clarification on what the additional annual staffing costs could be. JF advised the additional staffing including an expected NLC 10 post, NLC 3 post and cleaner post would be around £100,000 per annum.

John Lambert (JLam) asked if a financial projection was available and if negotiations had been commenced with NLC regarding securing additional funding to cover the anticipated losses. He commented that this venture was not part of Culture NL’s core business. JF advised that Board approval was required before negotiations could commence and a draft financial projection could be provided.

Paul Hughes (PH) advised the Board that 50% of the funding for this project has been provided by the Scottish Government, who will have carried out due diligence on the business plan.

Jim Law (JLaw) suggested that, given there was more than one structure available to NLC to take this project forward, Culture NL could restrict its role to providing its services to the facility for a fee, and thereby avoid taking on the identified risks. He suggested this should be considered if negotiations with NLC do not lead to a satisfactory conclusion.

JLam asked if there was any risk to the community facilities if the commercial activities were not successful, as it was important to ensure that Culture NL’s core business is not put at risk from non-core business operations.

David Craig (DC) asked if this proposal was compliant with the charity’s obligations under OSCR, and also noted that there is currently a low uptake of commercial units in Cumbernauld.

JLam and MMP asked why North Lanarkshire Properties LLP was not being considered to manage the commercial units. JF advised this may be because NLC prefer there to be one operator of the centre.

The Board noted the report and agreed the recommendations.

1. **A Vision for North Lanarkshire Libraries – a Review of Library Provision**

AG re-entered the meeting. KF excused herself from the meeting.

JF presented to the Board a report on the findings of the library review conducted within Library Services.

JF advised that the initial findings of the review are that the current model is no longer fit for purpose and requires to be changed. The Chair advised that a national review is also ongoing.

JLaw asked for the Board to be provided with a statement of strategic intent from NLC regarding the reviews, and for figures regarding the self-issue machines. JF advised that the self-issue machines had already been budgeted for but that Board approval would be sought before any other expenditure is incurred.

ASt asked if existing premises would be refurbished or if new spaces would be created as part of the utilisation of the capital programme referred to in the report. JF advised that existing space would be used, for example a new meeting room established in Airdrie library.

AG asked who was carrying out the review and JF advised it was library managers at present.

Gillian Hunt (GH) asked if library staff suggestions had been used and JF advised they had with regard to efficiency savings although they mostly related to smaller income generation ideas.

TC asked what the implications were for staffing. The Chair advised that there were implications from the efficiency savings – for example there were a number of staff on short contracts so consolidation of these roles was required.

The Board noted that further clarification was needed on what requires to be done in terms of implementing the library review.

The Board noted the content of the report and agreed that a revised paper should be brought to the next Board meeting once a clear vision for future library services had been identified, with a new model and action plan deriving from that.

1. **Reward Gateway Employee Benefits Scheme**

KF re-entered the meeting.

JF presented to the Board a report requesting approval to introduce a Reward Gateway Employee Benefits Scheme.

JLam asked what other options had been considered and why this one was chosen. JF advised that it had been chosen because of the price and because the rewards were ones it was thought employees would be interested in. She said it could be reviewed after one year.

JLaw asked for clarification on the costs for the first year and JF advised this would be £16,000.

MMP asked if it was prudent to incur this expense at a time when the organisation is making substantial efficiency savings. The Chair commented that it was important that Culture NL continue to be a good employer and invest in staff morale.

The Board approved the report.

1. **Efficiency Savings 2016/17 and 2017/18**

KF excused herself from the meeting.

The Chair advised that the report has been approved by the Audit & Governance Panel (A&G) and now Board approval is sought. The Chair reminded the Board that at the previous Board meeting it was decided that A&G would make decisions regarding efficiency savings and then report those decisions to the Board.

PH advised that NLC have asked Culture NL to agree where savings can be made but this does not mean that all of those savings measures will be progressed – this will be decided by NLC. The Chair advised that the Convener of Learning & Leisure Committee is to be advised of potential closures of facilities as soon as possible. Prompt implementation of the savings proposals will be beneficial for Culture NL.

JLaw asked why £3.5 million of savings had been identified when only £3.1 million was required by NLC. JF advised this was for contingency purposes, as if NLC refused to agree to certain proposals, the total savings would not be sufficient.

ASt asked why miscellaneous income had been quantified as £100,000. The Chair advised that this was a modest estimate of the external funding that could be secured as last year £250,000 had been brought in.

TC asked what the proposals were for buildings that are closed as a result of the proposals. The Chair advised as they are owned by NLC, it would decide what further use they were put to.

PH asked for Board approval to share cost pressure information with NLC which may assist.

The Board noted the report.

1. **Revenue Monitoring Report – P4**

Hugh MacMaster (HM) presented to the Board a report with current budget monitoring position for Culture NL for the period 1 April 2014 to 24 July 2015.

JLam asked what the reserve would be at the end of the year. HM advised it would be £1.7 million.

The Board noted the report.

1. **Chief Executive Update Report**

JF presented to the Board a report providing an operational update for 13 June to 17 August 2015.

The Chair asked for the Board to be provided with a report providing an update on the catering review.

The Board noted the report.

1. **Press and promotions update report**

JF presented to the Board a report providing an update on Press and PR activity undertaken during July and August 2015.

JLaw enquired about the marketing vacancies. JF advised the two assistants’ posts had been filled and the marketing manager post was currently being shortlisted.

The Board noted the report.

1. **IT Update Report**

JF presented to the Board a report on the status of current and planned ICT activities affecting Culture NL staff and customers.

The Chair commented that the report gives no assurances that the challenges faced by Culture NL are being addressed.

JF advised that the costs indicated in the report are being challenged.

PH stated he would feedback to EGASD and advised the Board that Scottish Government funding is available for wi-fi funding, particularly for libraries.

1. **AOCB**

The next meeting will be 26 October 2015.

KF asked if she was able to share information about discussions carried out in board meetings with other trade unions. The Chair advised that clarity was needed on what the role of the Trade Unions Director was and highlighted that there is a forum outside of board meetings for sharing relevant information with the trade unions.