

Minute 2
2020/21

Exemptions

FOI Exemptions:

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Section 5.1 – Page 2,	FOI Exemption Section 36
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CONFIRMED



**Minutes of the meeting of the Board of the Arts Council
On Friday 29 May 2020 at 2.00pm
Held via Skype**

1. ATTENDANCE

PRESENT

John Edmund (Chair), Katy Radford (Vice Chair), Cian Smyth and Siun Hanrahan

IN ATTENDANCE

Roisin McDonough (Chief Executive)
Geoffrey Troughton (Director of Finance and Corporate Services)
Noirin McKinney (Director of Arts Development)
Paul Harron (Director of Operations)
Debbie McKibben (DfC, Head of Arts Branch)
Louise Hyland (DfC, Arts & Creativity Branch)
Diane Dillon (Assistant to the Board and Directors)

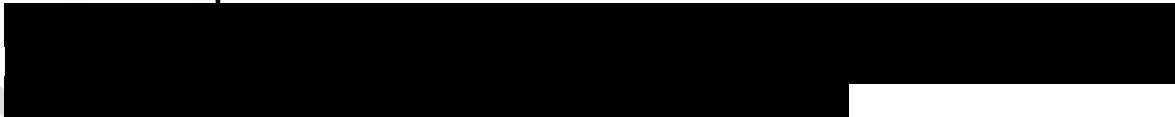
The Chair opened the meeting at 2.00pm and welcomed all.

2. DECLARATIONS OF INTEREST

No new conflicts of interest were declared.

3. PREVIOUS MEETINGS

3.1 Minutes – 9 April 2020



The Chair was content that the minutes be redrafted to reflect the discussion.

3.2 Matters Arising

There were no other matters arising.

4. CHAIR'S REPORT

4.1 Board Work Plan

The Chair suggested that the Work Plan be revisited when new Board members have been appointed. It was noted that the three remaining Board member's terms

have been extended to 30 June 2020, therefore the Chair requested that the Executive prioritise and bring forward any items for approval to the June Board.

4.2 Post-Lockdown market recovery for arts organisations; research and the need for a co-operative action plan

The Chair advised that since adding this item to the agenda, several conversations have taken place between the Chair and the Chief Executive in this regard and noted that Board members have also been furnished with a copy of the Chief Executive's written submission to the Committee of the Department for Communities which addresses the impact of COVID-19 on the arts sector.

Further, the Chair advised that he has been in contact with the Head of Communications regarding Post Crisis Arts Marketing and was advised that the Communications team have been gathering evidence from the sector on their online activities.

He noted that the discussion on the Chief Executive's report would address these future issues and concerns.

5. CHIEF EXECUTIVE'S REPORT

5.1 Bi-Annual Assurance Statement (October 2019 to March 2020)

The Chief Executive presented the Bi-Annual Assurance Statement (Bi-ASS) to the Board for approval. The Board was content to approve the Chief Executive's section of the Assurance Statement, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Board approved the Bi-Annual Assurance Statement, [REDACTED]

5.2 2020-21 Business Plan

The Chief Executive advised that the Business Plan had been updated to reflect the impact of COVID-19 on the arts sector and highlighted a number of key changes:

- Section 4 references the New Decade, New Approach framework.
- Section 5 refers to the new emergency funding programmes.

- Section 6 advises that international schemes are currently on hold due to travel limitations.
- Appendix 2 (page 15) provides an overview of 2020-21 deliverables.

The Vice Chair enquired about the proposed work with Derry City and Strabane District Council (deliverable 9). The Chief Executive advised that the expectation was that Derry City and Strabane DC would join in partnership along with Belfast City Council, to help fund the Resilience Programme. However, Derry City and Strabane DC could not find the resources and stated that they wanted to adopt a different approach. The Chief Executive reiterated that although the Arts Council still wished to partner with Derry City and Strabane DC, the nature and type of intervention would require further discussion.

The Vice Chair asked if there was any similar work planned with other council areas. The Chief Executive referred to the Local Government Challenge Fund which resulted in the Rural Needs Grants Programme, but noted, however, that with the impact of COVID-19, this programme had stalled.

The Vice Chair enquired about the clawback of funding from Local Authorities. The Chief Executive advised that she has had discussions with Belfast City Council regarding their Events and Festivals Fund and the letters of offer issued to arts organisations, which indicated the possibility of clawback if the proposed programme did not occur. She noted that Belfast City Council had advised that their approach was open to review.

Regarding the future needs of the arts sector, the Chief Executive advised that a bid to the Department for funding had been made which, if successful, would include the offer of assistance to organisations in preparing for re-opening, i.e. technical assistance and building adaptations. However, until a scoping exercise had been completed the quantum of funding necessary remains unknown.

Board members were in agreement that this was a thorough and comprehensive document. The 2020-21 Business Plan was approved by the Board.

5.3 Board Strategic Intent

The Chief Executive advised that this paper aimed to serve as an aide-memoire of where the Arts Council is at present. The paper summarised the Annual Funding Survey returns for 2018-19; the initial impact of the COVID-19 survey conducted on the arts sector; and the measures the Board agreed necessary to adopt in order to support funded clients and individual artists.

The Chief Executive drew the Board's attention to section 3 which provided an overview of the Board's response to date and section 4, an analysis of the risks of the approach adopted and the mitigation measures put in place by the Executive.

The Chief Executive requested that the Board approve:

1. The Board Strategic Intent paper, and
2. The pro forma letter of offer.

Board members agreed that this was an interesting, very helpful paper and noted their appreciation at the insight into a number of associated risks in the current climate.

The Vice Chair requested that an update paper on the risks be presented to the Audit and Risk Committee meeting in June.

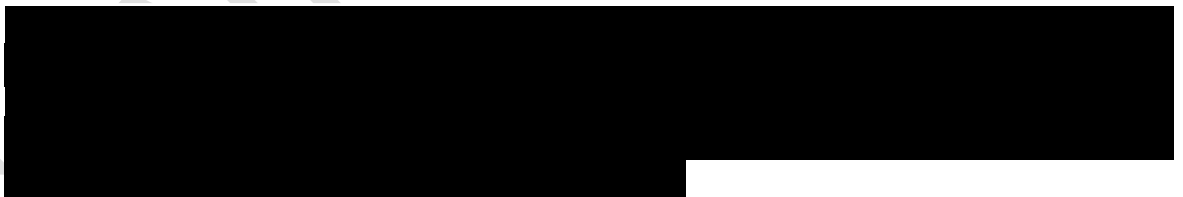
The Board approved both the Board Strategic Intent paper and the pro forma letter of offer.

5.4 Impact of COVID-19 on AFP clients and issues surrounding future re-opening

The Chief Executive advised that since the original paper was circulated, more detailed and realistic conversations had taken place with client organisations and noted that the total projected deficits for AFP clients had increased from £2,885,792 to £3,612,292 (the updated client list had been circulated prior to the meeting). This is of course, she noted, an ever evolving picture changing with each conversation had with clients.



The paper focused on the prognosis for the re-opening of the arts sector in Northern Ireland and the impact to date on the larger clients within the AFP portfolio. The paper also provided an update on the many organisations that have continued to engage throughout COVID-19 by delivering programmes through digital platforms.

Board members discussed the financial impacts on organisations and the likelihood of the furlough scheme closing in September, which may potentially result in redundancies. Organisations should be encouraged, it was noted, to be flexible in their approach, and to show their resilience by performing to smaller audiences, using outdoor spaces, shop windows, etc. It was suggested that there are many strategies that the Arts Council can advocate and that Government should be actively encouraged to continue to fund the arts.



The Chief Executive advised that she will take part in a “5 Nations” Skype meeting on 3 June 2020 to discuss how arts organisations in the UK and Ireland might plan for re-opening and recovery.

The Chair suggested that experience in the recent past has shown that there is a need to work with and help organisations monetise what they are doing digitally.

The Director of Arts Development advised that the next survey   will concentrate on digital presentation of work, how it engages audiences through learning a new skill or for viewing and participation and the willingness of audience members to pay for online events. For many organisations, she noted, this is relatively new territory and some have responded more positively than others.

The Director of Arts Development advised that [REDACTED] survey results into audience appetite for return to live arts entitled 'After the interval' will be shared at the next Board meeting.

The Board noted the document.

5.5 Overview of the Arts Sector Funded through AFP in Northern Ireland

The Chief Executive advised that this paper provides an overview of the arts sector funded through AFP and should be read alongside the AFP Overview document presented to the April Board.

One noted typo on page 4, paragraph 1 - "attain" to be replaced with "retain".

The document was noted.

6. FINANCIAL UPDATE

6.1 Financial Report

The Director of Finance and Corporate Services provided a brief overview of the year-end report and highlighted the following:

Exchequer Resource

- Resource KPI achieved. An under spend of £12k is recorded and represents 99.9% of expenditure.
- Budget at 31 March 2020 (following in-year allocations) was £11.620M.

Exchequer Capital

- Capital KPI was not achieved. Some expenditure on the small capital grants scheme did not meet the accruals test, therefore overall Capital was underspent by £59k. Actual expenditure of 96.5% fell just below the KPI of 97%.
- Small Capital Grants underspend was £58k mainly due to COVID restrictions preventing expenditure.
- Capital budget at 31 March 2020 was £1.740M.

A Board member congratulated the efforts and efficiency of the Finance team, noting that the KPI just fell short by 0.5%.

Lottery

- The NLDF balance (adjusted) at 31 March 2020 was £4,785,748.
- Lottery NLDF was under committed at 31 March 2020.

There was discussion on the projected Lottery income for 2020/21 in light of COVID-19. The Director of Finance and Corporate Services advised that a monthly Lottery income of £753k is required in order to meet the annual budget. To date (end of May 2020) the income was trailing by 3%, however he noted that the figures were close to the same period last year and it was too early to extrapolate an end year outcome.

The Board noted the report.

6.2 Exchequer and Lottery Budgets 2020/21 (Updated May 2020)

The Director of Finance and Corporate Services advised that the draft 2020/21 Exchequer and Lottery budgets were presented to the Board on 29 January 2020. The updated budgets at May 2020 reflect:

1. Exchequer: revised budget following DfC notification of budget allocation for 2020/21 and the introduction of the Artists Emergency Programme (AEP).
2. Lottery: revised budget reflects the new AEP and other virements.

The Board approved the revised 2020/21 Exchequer budget.

The Board approved the revised 2020/21 Lottery budget.

6.3 Lottery Profiled Budget 2020/21

The Director of Finance and Corporate Services advised that the 2020/21 Lottery Profiled Budget provides an overview of the half-yearly profiles.

The Board approved the 2020/21 Lottery Profiled Budget.

6.4 Lottery Recharge 2020/21

The Director of Finance and Corporate Services provided an overview of the paper and invited the Board to agree the 2020/21 Lottery Recharge at 49% (reduced from 53% in 2019/20). He advised that the model calculations will be reviewed at the monthly budget meetings and at the Finance and Capital Committee in June 2020.

It was noted that due to a formatting issue, the figures for the scenarios at the back of the report did not transfer through from the original spreadsheet into the PDF version. A corrected version was circulated prior to the meeting.

The Board agreed the Lottery Recharge for 2020/21 at 49%.

The Board approved the Lottery Recharge Agreement for 2020/21 which will be signed by the Chief Executive and the Director of Operations.

6.5 NLDF Target Report

The Director of Finance and Corporate Services advised that the report provides an analysis of the NLDF targets for the next three years using the forecast model based on the Lottery budget presented earlier in the meeting. He advised that an analysis of the figures will be presented to the Finance and Capital Committee in June 2020.

The NLDF targets were approved by the Board.

6.6 Review of Aged Lottery Commitments (Aged Creditors Report)

The Director of Finance and Corporate Services advised that the Lottery RTTCWG (2019/20) dated 8 April 2020 had a recommendation on Lottery Aged Creditors. NIAO assessed the issue as a medium risk, however recommended that the age analysis of grant creditors should be reported to the Board bi-annually along with explanations for delays and any actions being taken to address amounts outstanding for a long time.

The Director of Finance and Corporate Services provided an update on the commitments remaining at 31 March 2020 (typo noted on the final column which

should read 31 March 2020). The report will be presented to the Finance and Capital Committee in June 2020 for further discussion.

The Board noted the document.

The Director of Finance and Corporate Services advised that the draft 2019/20 Exchequer and Lottery Accounts are almost complete and will be presented to the Finance and Capital Committee, Audit and Risk Committee and the Board in June 2020.

7. BUSINESS REPORTING

7.1 2019-20 Business Plan Q4 Update

The Director of Arts Development presented the report; referencing the colour coded format she noted that the majority of the progress areas were green (completed). Amber (underway not yet complete) and red (not completed) areas have been delayed mainly due to the impact of COVID-19 and have been carried forward to the 2020-21 Business Plan.

Board members raised some questions in respect of 2.5; 2.8; 3.1 and 3.4 which, were answered by the Director of Arts Development.

One noted typo on page 5, 3.3 – “spate” should be replaced with “separate”.

The Board noted the report.

7.2 Risk Register

The Director of Finance and Corporate Services advised that the Risk Register had been reviewed by the Audit and Risk Committee on 24 April 2020.

The Board was content with the update and the contents of the Risk Register was noted.

7.3 HR Report 2019/20

The Director of Finance and Corporate Services provided an update on the HR activities that have taken place throughout 2019-2020.

[REDACTED]

[REDACTED]

The Communications team circulate a weekly newsletter, The Loop, to all staff, which provides important updates on current activities and funding programmes, and how to stay in touch generally. The Chief Executive advised that the Communications team will develop a weekly Chief Executive blog/vlog and it is hoped that a virtual staff team meeting will be set up.

A Board member suggested that the Arts Council consider the learnings as an organisation over the past two months, in the event of a second lockdown; potentially a conversation for a future Board meeting? The Chief Executive advised that she would bring a paper to the Board which would give an insight into what the HR and Communications teams have actively been doing since the March lockdown.

The HR report was noted.

7.4 FOIs and Complaints

The Director of Operations advised that there had not been a great deal of activity between January and May 2020 and any correspondence had been dealt with.

The report was noted.

7.5 Audit and Risk Committee Terms of Reference

The Audit and Risk Committee Chair advised that the Terms of Reference had been reviewed by the Committee on 13 January 2020 and that changes were attached for Board discussion. The Board was content with the proposed changes; with regard to point 2.4, the Chair suggested that the Committee Chair bring forward a recommendation as to future Committee tenure. Subject to point 2.4 being clarified by the Vice Chair, the Board approved the revised Terms of Reference.

8. MATTERS TO NOTE

8.1

[REDACTED]

[REDACTED]

8.2

[REDACTED]

8.3

[REDACTED]

8.4

[REDACTED]

8.5

[REDACTED]

The purpose of items 8.2 to 8.5 is to formally record the Board's approved decisions in the Board minute.

8.6 Attendance Tracker 2019/20

The Vice Chair stated that she takes great pride in generally having 100% attendance at Board and Committee meetings and expressed her disappointment regarding her attendance during 2019-20. She requested that it be noted that due to the short notice of the EBM in April and the additional November Board meeting, she was unable to attend due to prearranged work commitments.

A Board member commented that, in his opinion, the attendance tracker did not accurately reflect Board members attendance at Board and Committee meetings

and there was an imbalance of Board members sitting on Committees. The Board member requested that this be discussed at the next Board Effectiveness session.

9. ANY OTHER BUSINESS

9.1 Approval of Appointment of Internal Auditor

The Director of Finance and Corporate Services advised that the tender process carried out by CPD for the appointment of internal auditors has now been completed

The Scheme of Delegation 1.5.1 (ii) states that the following matters are reserved to the Board: (ii) Appointment of an internal auditor. Whilst not explicit, normal practice has been for the Board to approve the appointment.

The Board approved the appointment.

9.2 Approval of Grants Reserve List Recommendations

The Director of Operations advised that at the Grants Committee meeting held on 28 May 2020, members agreed to the establishment of a 'reserve list' for 25 applicants whose projects would have been 'fundable' (up to £1k each) had budget allowed. As the Department has now made available an additional £25k funding it was proposed that, with the Board's approval, Letters of Offer be made to those included on the reserve list.

The Director of Operations provided a summary of the total funds processed as of today's date:

Tranche 1	88 awards	£263,275.00
Tranche 2	128 awards	£288,662.00
Reserve list	25 awards	£ 25,000.00
Total	241 awards	£576,937.00

Board members approved the additional funding of £25k to the 25 AEP applicants on the reserve list.

Board members discussed their concerns regarding the sudden and temporary closure of the AEP, and how this was communicated to potential applicants, who may have unknowingly missed the deadline. The Director of Operations advised that the programme had been opened as a rolling programme, but the level of demand (300+ applications) was such that it had been decided to temporarily suspend the programme. He advised that any applications received after the date on which the fund closed would be held on file and that if the programme reopens, applicants would be given the opportunity to have their application assessed, withdrawn or resubmitted.

It was noted that the Organisations Emergency Programme (OEP) was a deadline programme, opening on 1 June 2020 with a closing date of 12 June 2020.

The Chief Executive was appreciative of, and accepted the Board's comments regarding the issue around communication to the sector. She noted that it was

“pretty good going” that staff had processed the high volume of applications within such a short space of time and that £575k would make a significant difference to many people. The Chief Executive expressed her thanks to the Head of Arts Branch for her continued efforts and support. The Board acknowledged the efforts that had been made to rapidly process the applications and the positive contribution this would make to the sector’s sustainability.

There being no further business the Chair declared the meeting closed at 4.30pm.

10. DATE OF NEXT MEETING

Friday 26 June 2020 at 2pm via Skype.

Signed: _____

John Edmund (Chair)

Date: _____

26 June 2020

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