

## NOTES

**Board call**  
**3 October 2022**  
**10.00 – 12.00**  
**Via Teams**

### Present:

Robert Wilson (RW)	Chair
Malath Abbas (MA)	Board member
Yahya Barry (YB)	Board member
David Brew (DB)	Board member
Duncan Cockburn (DC)	Board member
Stephanie Fraser (SF)	Board member
Philip Long (PL)	Board member (until 11am)
Carol Main (CM)	Board member
Sarah Munro (SM)	Board member
Elizabeth Partyka (EP)	Board member
David Strachan (DS)	Board member

### Apologies:

Duncan Hendry (DH)	Board member
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### In Attendance:

Iain Munro (IM)	Chief Executive
Clive Gillman (CG)	Director, Creative Industries
Anne Langley (AL)	Executive Director, Operations
Dana MacLeod (DMac)	Executive Director, Arts, Communities and Inclusion
Ian Stevenson (IS)	Director, Finance
Isabel Davis (ID)	Executive Director (for item 4)
David Smith (DWS)	Director, Screen (for item 4)
Lyndon Jones	Notes

<b>1.</b>	<b>Apologies and declarations of interest</b>
1.1	Apologies were noted from Duncan Hendry.
1.2	Declaration from DC in relation to item 4 - CMI hold a contract with Aberdeen City Council (separate to that through which they run the Belmont Cinema) to host a co-ordinator to work three days a week on behalf of Culture Aberdeen. As Chair

	of Culture Aberdeen, DC line manages that individual. DC therefore absented himself from the CMI discussion.
<b>2.</b>	<b>2022/23 Budget</b>
	<p>The latest in year picture was discussed, with a forward look at 2023/24, and the context of the published Resource Spending Review for the years ahead. SG began discussions with CS on contracted and non-contracted spend in June and those discussions are continuing. The pause in processing funding is increasingly difficult to manage whilst maintaining business confidence. Whilst CS continues to advocate strongly on need for all expenditure, the final decisions on budget rest with SG. The Board recognise this is an issue taking place across all SG portfolios. Whilst some positive movement has been made recently, notably in YMI and Place, budget reductions in-year and for future years are considered likely.</p> <p>The need for confidence across all areas of CS budget, including Screen Scotland, is critical to the delivery of support for the creative sectors. The CS National Lottery reserves position was discussed and whilst offering some flexibility, the principle of additionality set in the National Lottery Act needs to be taken into account should reserves require to be deployed in a revised financial strategy to manage the period ahead.</p> <p>The Board are able to work their networks as part of sustaining advocacy. The Sector bodies are aware to a degree of the current position and are being kept informed through their monthly engagement meetings with CS and SG. Also, IM appearing in front of the CTEEA Committee this week can also message the issues. A suggestion was made that a letter written by the Chair on behalf of the Board to the Cabinet Secretary on the challenges faced should also be considered.</p> <p>The Board will be kept informed and updated at the full Board meeting on 26 October.</p>
<b>3.</b>	<b>Future Funding Framework – Multi-Year process</b>
	<p>The Board discussed the status of the FFF plans, given the pressures, uncertainties and risks of the wider operating environment, particularly in relation to budgets discussed earlier. The plans for the Multi-Year process in particular relied on budget confidence which was increasingly uncertain.</p> <p>The pros and cons of proceeding with the Multi-Year plans to the current timetable were debated. It was also recognised that organisations are under considerable pressure with rising costs and falling income, and have capacity challenges. CS needs to be mindful of not adding to the pressures, risks and capacity challenges of the current environment.</p> <p>The inability to make the best strategic decisions because of such an uncertain environment suggested that the timetable should be reviewed and consideration given to a modified financial strategy for the period ahead, moving ahead with aspects of the FFF such as the Open Fund revisions, but re-timetabling the Multi-Year process. The pause in the M-Y approach would also allow further engagement with the sector.</p>

	<p>By way of further context, confidential modelling had been undertaken based on known current financial information which illustrates the financial fragilities and risks to the viability of an increasing number of organisations.</p> <p>On balance, whilst it is understood there would be some disappointment at having to revise some plans, it was agreed that CS needs to act responsibly and strategically to provide as much stability and confidence as possible in navigating the ongoing, and increasing, challenges of the current environment. Careful communications will be required.</p> <p>Further detail on revised plans will be brought to the 26 October Board meeting.</p>
<b>4.</b>	<b>CMI</b>
	<p>ID and DWS joined for this agenda item. DC absented himself from this item and left the meeting.</p> <p>The current situation was presented to the Board where the risk of insolvency of the business is understood to be imminent, following major financial challenges.</p> <p>CMI and their insolvency advisors have met with CS to discuss their position and informed that formal Administration to manage the wind-up of the business is the likely outcome. CMI will be holding a Board meeting this afternoon to agree their final approach, likely to formally appoint Administrators.</p> <p>The CS Board noted the speed of events and discussed if a further RFO payment would improve the position. It was confirmed that making a payment may extend trading by a short period of days, however, the prognosis is still anticipated to be closure of the business. Once insolvency is declared, the RFO contract prohibits making payments.</p> <p>The Board expressed concern at the situation, the implications for loss of jobs, the FilmHouse and Belmont venues, cultural cinema provision, the International Film Festival, and Scotland's international screen reputation. There will be a need to co-ordinate and manage public communications with partners as it has the potential for a strong public reaction and CS will be approached for comment.</p> <p>The Board confirmed funding would remain available should CMI be able to demonstrate ongoing viability. However, on the basis that CMI remains unable to demonstrate its ongoing viability, and therefore cannot deliver the activity set out in the RFO agreement, CS cannot make further RFO payments. This is in line with the RFO contract, and responsibilities as guardians of public funds.</p> <p>In the event of Administration and insolvency, any balance of CS funding remaining would be held to explore options with partners to enable the delivery of cultural cinema programmes in Edinburgh and Aberdeen, and the prospect of a 2023 EIFF edition.</p>
<b>5.</b>	<b>Any Other Business</b>
	There were no items of AOB.

<b>6.</b>	<b>Date of next meeting</b>
	Wednesday 26 October 10.00 – 14.00 Board Room Waverley Gate

*Rebel Wilson*

Approved