

## PCAA EGM Monday 28th October 2024 7pm

The Arts Centre, 4 West Street, EH26 9DL

QUORUM IS 30 MEMBERS FOR DECISIONS REGARDING VACATING THE BUILDING.  $\frac{2}{3}$  Majority?

Welcome and thank you for coming along this evening.

It's going to be hard work for all of us. There is much to explain, we all need to concentrate, and then we make some tough decisions.

As an association, we face a challenging time. This meeting is to apprise you of our situation and the options we have before us concerning the future of PCAA.

There will be opportunities for questions and suggestions throughout the proceedings. Please could I ask for no interruptions while situations and issues are being explained - please save your questions etc until the explanation has finished.

If you're not one to speak up in meetings, there are pencils and paper for your comments and suggestions - and a box to put them into - this is next door with the refreshments.

This presentation is from the whole PCAA committee.

At the end of the presentation, **PCAA members will be asked to vote.**

Refreshments are available at the end of the meeting next door - with an opportunity for informal discussion and questions.

### 1. APOLOGIES

Rhona petrie, Rosemary Campbell, Trish Santer, Roma Robertson, Amanda Airey (any more?)

### 2. STATEMENT:

I have been asked by the committee to make this statement now, right at the beginning of the meeting.

**The PCAA committee recommends vacating the Arts Centre by the end of the financial year (end of March 2025).**

**While this is heart-breaking - and I've had many a sleepless night and shed many a tear over this - this would allow us to survive as an organisations and continue to offer arts related services to the community in other community spaces throughout the town.**

**This carries many advantages. Free of the financial and practical burden of maintaining the building, much more of our energy and time can be devoted to what the Arts Association is really about.**

**This would be in collaboration with (rather than apart from) other local organisations like the Storehouse and the PCDT.**

**Carol (our PCAA treasurer) and I have already had a very helpful meeting with members of the Storehouse committee, and I have met with Viki Phillips from the PCDT to talk informally about options, and she has been very supportive.**

**The committee believes this is an opportunity to create a new, re-imagined PCAA.**

**I can imagine your feelings - I share them. Before the first questions, we need to give you more information.**

### **Overview of Crisis - why are we in this situation?**

The PCAA has run an arts centre for Penicuik for around 45 years. As you know, we try to offer a range of music, arts and craft opportunities within the building, and several local groups meet here on a regular basis. Although the café coop is independent of the PCAA, it operates in the Arts Centre.

Very many people have worked hard to run the organisation, the Arts Centre and the Cafe Coop over the years.

Over half a century, times have changed a lot. There are more rules and regulations, bills are very much, funding from the Council for core costs no longer exists and there is more emphasis on health and safety etc.

On 11th August I sent an email to PCAA members and friends in which I explained that the latest detailed forecast budget for the Arts Association (PCAA) until the end of the financial year (March 2025) was giving a bleak outlook for the PCAA.

**At that time, at current costs, our basic bills just to run the building had increased to more than £9K in excess of our expected (but never guaranteed) income each year.**

This was largely due to the huge and fairly rapid increase in all our bills, particularly electricity after our fixed tariff contract came to an end, and a gradual nibbling away of reserves to subsidise one-off maintenance (internal decorating, surveys & some work for damp on the ground floor and fire safety survey).

**In that email, I said that unless we could generate another £10,000 per year income, or halve our current outgoings, we'd have to vacate the Arts Centre by the end of March 2025, and try to run the arts association without premises.**

Whatever source of income we looked at, it didn't seem possible to increase it by enough. Neither could we decrease our monthly running costs.

***We are not alone. Organisations like ours have been collapsing like dominoes in recent years.***

**As well as the financial crisis, we are also facing a committee crisis.**

As we sit here facing you today, we look OK enough, but!

It's not acceptable that our treasurer is in her 9th year of service.

It's not acceptable that I, as Chair, am in my 5th year of service.

It's not acceptable that we have been operating for far too long without a vice-chair or a secretary.

***We are not alone. Organisations like ours have been struggling for committee members for ever.***

In previous years, the average age of our committee was a lot less than it is now, with better health and more energy.

Several of our committee will need to step down soon due to very long service, ever advancing years or challenged health.

Our current charitable status also exposes some Committee Members to personal financial liability. More on this later.

**The committee met with an advisor from Business Enterprise last Thursday evening to discuss the situation in preparation for this EGM, and to formulate some decisions to be made by you this evening.**

I'll state the options that need decisions now, and they will be discussed further once Carol has presented the finance figures to you.

### **Options**

- (1) The current committee recommends vacating the building next year. There remains a choice for you, but it's challenging. The choice is, are there enough volunteers among you who are willing to replace the current committee members who need to step down? New committee will need to assume the responsibility and liability for the enormous amount of work needed to stay in the building - with the associated financial risks?
- (2) If there are insufficient offers of new committee members willing to take on this responsibility, then the next question is: Does the PCAA fold up entirely? Or Does the PCAA continue as an organisation without its own building making use of other community spaces and working more closely with the Storehouse? Although several committee members need to step down in the coming year, the current committee could perhaps continue for a short time in this new capacity **without** the burden of the building, but we would need new committee members within the next year to come on board, learn alongside existing committee members to eventually take over some of our roles.

These questions will be put to you again towards the end of the evening, when a vote will be taken on each question.

### **Q & A session 1**

### 3. Current Financial Status, and what it means for the next year (CM)

PENICUIK COMMUNITY ARTS ASSOCIATION TREASURER REPORT OCTOBER 2024	
CURRENT BANK /CASH BALANCE	29248
ANTICIPATED INCOME-to year end	5585
<b>TOTAL CASH AT YEAR END (A)</b>	<b>34833</b>
<b>PROJECTED SPEND UNTIL YEAR END (B)</b>	<b>26670</b>
<b>BALANCE TO CARRY FORWARD (A - B)</b>	<b>8163</b>
<i>Anticipated spends not included in above</i>	
New fire door	2750
Integrated fire alarm system est	1400
Insurance premium  MidLothian Council (under investigation)	1300
<b>IF THESE GO AHEAD THE PROJECTED CARRY FORWARD BALANCE (C)</b>	<b>2713</b>
25/26 BUDGET FORECAST BASED ON CURRENT YEAR WITH 10%	
Anticipated but not guaranteed income 2025-2026 (D)	10300
Carried forward from (C)	2713
**Projected spends 2025 -2026 (E)	20570
<b>ESTIMATED FUNDING SHORTFALL ((C+D)-E)</b>	<b>-7557</b>
** This figure does not include anything set aside for repairs or maintenance	

### Q & A session 2

#### **4. Consultations and Steps we have taken, including offers of help received from members and friends (SO)**

**A. I first contacted Rod Lugg** - Midlothian Council Penicuik Heritage Regeneration Project Manager, who has been very supportive of us for many years.

**He advised:**

i. ...Talking to the local Councillors to see if they could contribute again from their councillor environmental budget

***No help available.***

ii. ...Talking to Annie Watt, Economic Development officer at Midlothian Council who is good at finding sources of grant funds for local community organisations.

***I emailed her in July - received no answer.***

iii. ... contacting Nathan Gallogley at the Council, Economic growth officer.

***I emailed him. Received a reply from [alasdair.Macquarrie@bgateway.com](mailto:alasdair.Macquarrie@bgateway.com). Carol and I had an online meeting with him***

iv. ...contacting Creative Scotland, who have a grant fund for ongoing arts costs.

***I emailed them - they no longer run the relevant fund***

v. ...contacting the local Chamber of Commerce. (Rod had dealings with them early on in the Penicuik Heritage Regeneration Project and found they were helpful).

***We haven't done this yet - insufficient time***

**B. I also contacted:**

vi. Local Council officers who deal with our lease. **They can't help.**

vii. Kirsty McNeill (Westminster MP) - I lunched with her, her volunteer Bronwen Jackson who supports the PCAA, and a couple of her interns when she visited Penicuik voluntary organisations. **She was mostly gathering information about the area.**

viii. Alasdair MacQuarrie from Business Gateway (see iii above) who put us in touch with Midlothian Voluntary Action (MVA). They have given us a place on the Accelerate Initiative. This involves 5.5 days of free consultancy. The first session was from Pamela Redpath during the committee meeting on 24th October in preparation for this evening. She spoke about our responsibilities as charity trustees, our vulnerabilities as non-incorporated charity trustees, also our duties in the case of wind-down, the details of becoming a Scottish Charitable Incorporated Organisation (SCIO). Becoming a SCIO would shield current and future Committee Members from financial liability (along with other governance benefits). But it's a complex, expensive and long-winded process, and we simply can't afford the required legal fees right now.

**C. As mentioned above, we have applied for grants to the National Lottery Community Fund and the People's Postcode Trust** for funds to see us through the next year. But even if successful, we will still be in the same position this time next year, having to apply for grant support in an increasingly competitive world for ever dwindling funds. I have heard only this afternoon that our application to the People's Postcode Trust was unsuccessful. We will hear about the National Lottery grant at the end of January.

**D. We have appealed to members, friends and the wider community via our survey a couple of months ago.** This yielded several offers of running various fund-raisers in the new year, for which we're extremely grateful. Being just a bit optimistic, the fund-raising events offered could potentially raise a few hundred if they were well supported - but this isn't guaranteed.

To put it in perspective, it could be enough for us to survive another three or four months.

These fund-raisers are still extremely valuable because if we choose to continue as an organisation without a building, we would still need funds to pay for the events and activities we offer to the community.

I'm still going through the list of offers resulting from the survey and hope to reply to everyone who left their contact details.

In conclusion - We've done as much as we can. We are still convinced that the choices open to us are the ones I've already mentioned.

### **Q & A session 3**

#### **5. Other issues (SO and committee)**

- \* As Carol said - we have been talking about a negative difference between anticipated income and expenditure in the financial year 2025 - 2026 - nothing can be certain, but the figures are as realistic as Carol can make them with her 9 years experience!
- \* As well as the building now being financially unviable, we must bear in mind that there are like to be costs with handing the title deeds back to the Council and maybe other costs associated with releasing the building. We can't run our resources to zero.
- \* Carol also mentioned fire safety items - we have a legal duty to reduce the fire risk factor in the building if a new committee decides to take the risk and stay in the building.
- \* We know we have a long-term ongoing untreated damp problem on the ground floor - we have been advised to have an underfloor survey- which we can't afford, and goodness knows what that would reveal.
- \* We know we have original old drains at the back of the kitchen which are about to collapse
- \* We know we need secondary glazing and possibly solar panels to reduce our energy bills and carbon footprint.



\* Another heavy burden is that, as trustees of a non-incorporated Charity, we are personally liable for anything going wrong within the organisation or building or because of our activities, yet we can't afford the transition to SCIO which we have been strongly advised to do.

**None of this is acceptable or sensible.**

*(If asked - If we vacate the part of the building that we own, it goes back to the Council who sold it to the PCAA trustees for a peppercorn amount many years ago.)*

**\* Anything else from the committee?**

**So in conclusion, the burden on the committee of running the building is very heavy, and it's now not financially viable. Our current resources, and potential future resources simply won't stretch anywhere near far enough to pay our bills on a regular basis or to pay the large one-off costs I've mentioned.**

Q & A session 4

## **6. Discussion, Voting**

Any more questions, suggestions, comments?

We welcome ideas, but please, our greatest need is for action to carry them out. The committee does not have the capacity to do any more. If you have an idea or suggestion, can you be the one to carry it out?

**Decision and Voting time. Please, only paid up PCAA members can vote.**

**There are three simple questions.**

- (i) Can anyone offer to take the heavy responsibilities and liabilities of being a committee member to work to retain the building and raise £700 or £800 a month starting as soon as possible in order to stay in the building? Is anyone able and willing to do this? **SHOW OF HANDS**

*(If "YES" - Are there enough to allow the required resignations in the next year - about 5? Vote new committee onto the committee with immediate effect.)*

(ii) If "NO", in the circumstances we find ourselves and in good conscience, does anyone object to the action recommended by the committee to vacate the financially non-viable building? **SHOW OF HANDS**

*(If there is show of hands - do they exceed 30% or quorum = 20 votes? If so, explain that the committee members are trustees of the PCAA as a Charity and have a duty to act in the best interest of the organisation. The committee, as trustees, believe that it is not financially viable to stay in the building. Therefore if membership can't agree to the committee's recommendation to vacate a financially unviable building, the committee will have to seek advice about the legality of proceeding, as we believe vacating the building is in the best interest of the organisation.)*

(iii) If the decision is that we vacate the building, do we close down the organisation entirely? **SHOW OF HANDS IN FAVOUR OF TOTAL CLOSE\_DOWN**

*(If majority hands raised - this means we close down the PCAA altogether.)*

## **7. PLAN OF ACTION (If appropriate)**