

RED NOTE

Company number: SC355726
Scottish charity number: SC045030

DIRECTORS' HANDBOOK 2024

Introduction

This handbook has been compiled specifically for members of Red Note Ensemble's Board and will provide you with useful reference material and background information to assist your important work in the governance of Red Note Ensemble.

The schedule gives important reference material such as the constitution of Red Note Ensemble.

This handbook provides detailed information about the work of the Board; your roles, responsibilities and liabilities as a member are also explained.

This handbook is intended to be a key reference source for you. If you have any suggestions on how it can be improved, or have any questions that are not answered, please do not hesitate to let us know.

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1. RED NOTE ENSEMBLE

This section of the Handbook provides helpful background information regarding Red Note Ensemble: its mission, vision, strategic objectives and organisational structure. More detailed information can be obtained from Red Note Ensemble's website <https://www.rednoteensemble.com/about-red-note/>

1.1 History

Since its formation in 2008 **Red Note Ensemble** has taken up a leadership position as Scotland's contemporary music ensemble, performing and developing an extensive, highly-varied and critically-acclaimed programme of new music to the highest standards, and taking new music out to audiences across Scotland and internationally.

1.2 About Red Note Ensemble

Red Note performs the established classics of contemporary music, commissions new music, develops the work of new and emerging composers and performers from Scotland and around the world, and finds new spaces and new ways of performing contemporary music to attract new audiences. Within Scotland the ensemble has performed from the Outer Hebrides to the Borders in concert halls, bothies, pubs, clubs and aircraft hangars, amongst other unusual settings. Outwith the UK it has a growing international reputation, performing to great acclaim at festivals in France, Germany, Belgium, Holland and Australia in recent years. The ensemble also undertakes an extensive programme of Access, Engagement and Participation (AEP) work, focusing particularly upon working with younger and older people, people with multiple disabilities, people living in areas of multiple deprivation, and also working to address inequalities of access and representation due to race/ethnicity and gender imbalances. We also undertake an extensive performer and composer development programme within schools, universities and conservatoires nationally and internationally.

Red Note is Associate Contemporary Ensemble at the Royal Conservatoire of Scotland in Glasgow and Associate Ensemble of the sound festival Aberdeen. Red Note is a Delphian Records recording artist, releasing CDs of music by Eddie McGuire, John McLeod and David Wilde to great acclaim, and a 4th CD – of music by Lyell Cresswell – released in 2018.

Red Note is also a PRS Foundation Talent Development Partner and a Weston Jerwood Creative Bursaries host.

1.3 Red Note Ensemble's Management Structure

The Chief Executive Officer and Artistic Director is responsible for the organisation and management of Red Note who, assisted by the General Manager, is responsible for the day to day running of Red Note, subject to the control and general direction of the Board.

Specifically, the Chief Executive Officer and Artistic Director CEO:

- formulates and approves policies and strategies for recommendation to the Board;
- oversees Red Note’s planning and budgeting processes, formulating the final budget and plan for recommendation to Board and monitors how these are implemented;
- advises on strategic developments;

2. RED NOTE GOVERNANCE

This section of the guide explains Red Note’s legal status, how it is governed and managed and the functions, powers, duties and responsibilities of Directors of the Red Note Board.

2.1 Legal status and powers

Red Note Ensemble Ltd (Red Note) was incorporated on 27 February 2009 as a private limited company. Its company number is SC355726 and its registered office at Room 136, Artisit Block, Summerhall, Edinburgh EH9 1PL.

Red Note is also a Scottish charity and is registered with the Scottish Charities Regulator (OSCR) under number SC045030. This means a member of the Board of Red Note is also a charitable trustee. Please see clause 2.3 for further information on this.

The constitution of Red Note is governed by two documents:

- (i) the Memorandum of Association: the Memorandum establishes the status of Red Note as a private limited company; and
- (ii) the Articles of Association (Articles): the Articles establish the constitutional framework for Red Note. In particular the Articles establish:
 - its status as a charity with charitable purposes;
 - its objects which are to:

“advance both the arts and culture and the education of the public through the promotion, understanding, appreciation and development of music and music theatre, including in particular (but without limitation) music composed since 1900, such to be undertaken primarily, but not exclusively, within Scotland.”

- Its powers;
- the limited liability of members;
- the general structure and qualifications for membership; and
- general meetings and the procedure at general meetings.

The Memorandum and Articles have legal force and can only be amended with the agreement of OSCR and are attached in Part 4 of the Schedule.

As a company, Red Note is a separate legal entity from that of its individual members or directors. Red Note is, amongst other things, able to own property, license and enter into contracts in its own right. In general terms, therefore, directors will not incur personal liability for actions taken during their role as a director providing that they have acted honestly and reasonably.

However, being a legally autonomous governing body does have significant implications, particularly from the standpoint of accountability externally. In essence, it means that bodies such as Creative Scotland and OSCR hold the Board ultimately responsible for the conduct of Red Note's affairs. The Red Note Board has a particular duty to fulfil the highest standards of corporate governance at all times and to ensure that it is discharging its duties with due regard to the proper conduct of public business. It is important that the perspective of the Board is strategic with a strong focus on the public interest.

2.2 Governance Framework

Although the Red Note Board (Board) has a responsibility to direct Red Note and to carry out and to promote its objects, the Board is only one sources of authority within Red Note. The other is the CEO and Artistic Director.

The Board delegates to the CEO and Artistic Director its functions relating to the organisation and management of the Red Note, other than those matters which Board reserves solely to itself. In discharging these functions, the CEO and Artistic Director is subject to the general control and direction of Board.

The CEO and Artistic Director is responsible for the executive management of Red Note and its day-to-day direction. The CEO and Artistic Director should not seek to determine matters reserved for the Board. Equally, the Board should not attempt to take or intervene in executive decisions.

2.3 The Role and Responsibilities of the Board

The Board is responsible for:

- the effective governance and overseeing the activities and development of Red Note as a charity;
- monitoring key risks;
- determining its future strategic direction; and
- ensuring resources are managed effectively.

The Board is responsible for determining the overall strategic direction of Red Note. It establishes the budgetary framework, appoints the CEO and Artistic Director and exercises general oversight over Red Note's performance and development.

The following is a summary of the role and responsibilities of the Board.

Strategic Planning

The Board has a duty to enable Red Note to achieve and develop its mission and primary objectives of advancing both the arts and culture and the education of the public through the promotion, understanding, appreciation and development of music and music theatre. This responsibility includes considering and approving Red Note's strategic plan, which sets the aims and objectives of Red Note and identifies the financial, physical and staffing strategies necessary to achieve these objectives. In exercising its responsibility for the overall strategic direction of Red Note, the Board shall, in particular:-

- oversee Red Note's activities;
- determine its mission and future direction;
- foster an environment in which Red Note's objects are achieved;
- provide strategic input on all material policy or other matters affecting Red Note;
- establish and monitor systems of control and accountability, including financial and operational controls and risk assessment;
- review and monitor the management of the Red Note and its performance.

Monitoring Effectiveness and Performance

The Board should regularly monitor its own effectiveness and the performance of Red Note against its planned strategies and operational targets.

Finance

The Board's financial responsibilities include:

- ensuring the solvency of Red Note and safeguarding its assets
- approving the financial strategy
- approving annual operating plans and budgets which should reflect Red Note's strategic plan
- ensuring that funds provided by Creative Scotland and any other funders are used in accordance with the terms and conditions specified in funding agreements with Creative Scotland and any other funders
- ensuring the existence and integrity of risk management, control and governance systems and monitoring these
- receiving and approving annual accounts (audited financial statements).

Audit

The Board is responsible for directing and overseeing Red Note's arrangements for internal and external audit.

Staffing Management

The Board has responsibility for Red Note's staffing and employment policy. This includes ensuring that pay and conditions of employment are properly determined and implemented for all categories of employee. The governing body is also responsible for appointing and setting the terms and conditions for the CEO and Artistic Director of Red Note and such other senior posts as it may from time to time determine.

Equality and Diversity

The Board should ensure that non-discriminatory systems are in place to provide equality and diversity of opportunity for staff.

Health and Safety

Under the Health and Safety at Work Act 1974 the Board carries ultimate responsibility for the health and safety of employees and other individuals whilst they are on Red Note's premises and in other places where they may be affected by its operations. The Board's duties include ensuring that Red Note has a written statement of policy on health and safety, and arrangements for the implementation of that policy.

Charity Trustees

Red Note has charitable status. Charity regulation is the responsibility of the Office of the Scottish Charity Regulator (OSCR) under the Charities and Trustee Investment (Scotland) Act 2005. In addition to their role as directors of the Red Note Board, directors are also the Trustees of Red Note. Requirements that members of the Board need to bear in mind in relation to Red Note's charitable status include:

- Acting collectively exercising reasonable care and skill.
- Safeguarding the assets of Red Note.
- Acting in the best interests of Red Note, avoiding personal conflicts.
- Keeping information at OSCR up to date.
- Ensuring that Red Note complies with the provisions of the Charities and Trustee Investment (Scotland) Act 2005, and other relevant legislation

2.4 The Role of the Chair of Board

The Chair is responsible for the leadership of Board. As Chair of its meetings he/she should promote its well-being and efficient operation, ensuring that its members work together effectively and have confidence in the procedures laid down for the conduct of business. The Chair is ultimately responsible for ensuring that Board operates effectively, discusses those issues which it needs to discuss, draws to the full on the experience and skills of its members, and discharges its responsibilities in a business-like manner.

Through leadership of the Board, the Chair plays a key role in relation to the business of Red Note, but must not be drawn into the day-to-day executive management of Red Note. A critical element in the effectiveness of the Board and Red Note is the establishment of a constructive working relationship between the Chair and the CEO and Artistic Director. This relationship inevitably depends to a large extent on the

personalities involved, but the roles of Chair and CEO and Artistic Director are distinct. While the relationship should be mutually supportive it is important to ensure that it also incorporates the checks and balances imposed by the different roles each has.

The Chair is expected to stay in close touch with Red Note affairs between meetings and the Board may therefore grant delegated authority to the Chair to act on its behalf between meetings. Action taken under delegated authority normally consists of routine business which would not have merited discussion at a Board meeting (e.g. planning of Board meetings, signing of routine documents or detailed aspects of the implementation of matters already agreed by the Board).

Occasionally, matters may arise which are judged too urgent and important to await the next meeting of the Board. In such event, the Chair has the options to call a special meeting, consult members by correspondence or deal with the matter by Chair's action. The Chair will exercise great care to avoid taking decisions by Chair's action where it is inappropriate to do so, or exceed the scope of the delegated authority granted by the Board. Chair's action on matters of importance will only be taken where delaying a decision would disadvantage Red Note. The Chair is answerable to Board for any action which is taken on its behalf. Where Chair's action is taken, a written report will be made available to members at or before the next meeting of the Board.

The Chair's specific duties include:-

- chairing meetings of the Red Note Board;
- agreeing the agenda for meetings of the Red Note Board;
- ensuring the Board understands its role and responsibilities;
- ensuring the Board understands and debates the vision, mission and business model;
- ensuring the Board is representative of its sector and has a good range of skills, experience and diversity;
- ensuring those skills and experience are used;
- ensuring meetings are effectively run and that decisions are taken and minuted;
- ensuring, with members of the Board's full participation, succession planning is in place for Chair, Secretary, Board and CEO and Artistic Director;
- ensuring the Board reviews itself and its performance on an annual basis, as well as the CEO and Artistic Director;
- carrying out the annual review of the performance of the CEO and Artistic Director and agreeing with the CEO and Artistic Director his/her targets for the succeeding year and that such remuneration can be justified as in the interest of Red Note;
- receiving notification from the CEO and Artistic Director of any overseas trips by him/her, together with any necessary supporting information to assure the Chair that the trip is being undertaken in line with the established policies of the Red Note and public probity.

2.5 Vice-Chair

The Vice-Chair assists and deputises for the Chair and is expected to play an active part in helping to manage the business of the Board. The specific duties of the Vice-Chair of Board include:

- deputising for the Chair of Board as required.
- supporting the Chair of Board in his/her role and to act as a source of advice
- acting as an intermediary for other directors when necessary in the role of senior independent director
- taking the lead in appraising the performance of the Board on a regular basis.
- carrying out special assignments as requested by the Chair of Board
- participating in the induction programme for, and act as a mentor to, newly appointed directors

2.6 The Role of the CEO and Artistic Director in relation to Board

The CEO and Artistic Director is responsible for the organisation and management of Red Note. In discharging those duties, the CEO and Artistic Director is subject to the general control and direction of Board.

There is a fundamental and important difference between Red Note's governance, which is the primary concern of Board, and Red Note's management, which, except in exceptional circumstances is the responsibility of the CEO and Artistic Director. The Board has responsibility for developing and approving a plan to allow the Red Note to meet its strategic objectives. In practice, the planning process will normally be led by the CEO and Artistic Director.

The CEO and Artistic Director is appointed by the Board as Chief Executive Officer of Red Note and is accountable to Board for:

- implementation of strategies and policies determined by the Board;
- effective and efficient organisation and management of Red Note;
- exercising general oversight of Red Note's financial affairs;
- ensuring that the Board complies with all the terms and conditions of funding provided by Creative Scotland and other funders;
- fulfilling the duty, as the officer designated by the Board to alert the Board if any actions or policy under consideration would be incompatible with Creative Scotland.
- The CEO and Artistic Director is also responsible to Creative Scotland for propriety and regularity in the use of public funding and for the economic, efficient and effective use of all available resources.

The CEO and Artistic Director is also the chief representative of Red Note externally.

2.7 The Role of the Company Secretary

The Company Secretary is responsible for ensuring that Board acts within its powers and follows proper procedures working in close liaison with the Chair and CEO and Artistic Director. The Company Secretary should be available to advise members of Board, both individually and collectively, about their responsibilities and how these should be discharged.

The Chair and members of the Board look to the Company Secretary for guidance about their responsibilities under the constitution and any other regulations to which they are subject including legislation and the requirements of Creative Scotland, and on how these responsibilities should be discharged. It is the Company Secretary's responsibility to alert the Board if he/she believes that any proposed action would exceed the Board's powers or be contrary to legislation or to the funding agreement with Creative Scotland.

3. Membership of Board

This section outlines the membership of Board and the roles and responsibilities of directors. This includes information regarding your personal liability, charity law, and the expected standards of conduct of Board members.

3.1 Constitution and Membership of the Board

The constitution of the Board is set out in 2.1 hereof. The membership consists of appointed and ex officio directors. The current membership of the Board is attached in Part 1 of the Schedule. Please note that all Board members are also directors and the terms are interchangeable in this handbook.

3.2 Categories of Membership

Appointed Directors

Under Article 55 of the Articles of Association, the appointed director membership consists of not more than twelve members and are drawn from people who have experience of, and have shown capacity in, industrial, artistic, commercial, creative, educational or employment matters or in the practice of any profession.

The appointed director membership must maintain an overall majority on the Board.

Directors *ex officio*

The undernoted are directors *ex officio*

- The CEO and Artistic Director

3.3 Conduct of all Board Members

Whilst key office bearers have clearly defined roles and areas of responsibility, there are also responsibilities and standards of conduct expected of all members of the Board.

Members shall conduct themselves in accordance with good governance and accepted standards of behaviours in public life, which embrace selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Impartiality

Members, whatever their category of membership, have an important part to play in its work, bringing to bear knowledge and experience from their own background to advance the interests of Red Note. It is central to the proper conduct of public business that all members of the Board, including the Chair and the CEO and Artistic Director, should act and be perceived to act impartially and in the best interests of the Red Note as a whole, and should not be influenced in their conduct as members of Board by social or business relationships, or by any other affiliation.

Objective/Collective/Detached

Members should consider the issues before them objectively and as a director of Red Note rather than as a representative of any other group, and all decisions of the Board will be regarded as collective decisions taken by the members acting as a body. Like the Chair, appointed members must also take care not to become involved in the day-to-day executive management of Red Note.

Confidentiality

It is essential that all members respect the confidentiality of sensitive information held by Red Note. This includes commercially sensitive information, personal information and information received in confidence by Red Note. It is also essential that debate inside the Board meeting room or virtually is not reported outside it. There may be times when a director will be required to treat discussions, documents or other information relating to the work of the Red Note in a confidential manner. Members may receive information of a private or commercially sensitive nature which is not yet public, or which is not intended to be made public.

There are provisions in Board papers or documents on confidential information and members must always respect and comply with the requirement to keep such information private. It is unacceptable to disclose any information to which members have privileged access, for example derived from a confidential document, either orally or in writing.

Conduct of Business

Members have a responsibility to set an example by demonstrating the highest standards of behaviour. Members should never publicly criticise Red Note or fellow Board members. Members must not attempt to undermine Board decisions or distance themselves from them outwith Board meetings. It is important that nothing directors

do or say, whether acting in their capacity as a Board member or in a business or private capacity, should in any way tarnish the reputation of the Red Note or the Board.

Standards of Behaviour

To conduct Red Note's business effectively, it is essential to foster and reinforce relationships of confidence and trust between the CEO and Artistic Director, the Chair and members of Board and share information freely.

The principles of public life, defined by the Committee on Standards in Public Life, form the basis on which the Red Note conducts its affairs. The seven principles are:

- **Selflessness.**

All decisions should be taken solely in terms of the Red Note and the public interest. They should not be influenced by financial or other material benefits for the decision-makers, their families or their friends.

- **Integrity**

Members should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of your official duties.

- **Objectivity**

In carrying out Red Note business, including making appointments, awarding contracts or recommending individuals for rewards and benefits, all choices should be made solely on merit.

- **Accountability**

Members and Red Note employees are accountable for their decisions and actions to the Red Note and the public and must submit themselves to whatever scrutiny is appropriate to their office. In addition Red Note must be able to demonstrate accountability for its stewardship of public funds through ensuring that all services are delivered efficiently, effectively and economically in the pursuit of promoting music.

- **Openness**

All decision-making processes should be able to demonstrate transparency and openness as integral features of their conduct with the rationale for decisions available for inspection. Information should only be restricted when it is clear that Red Note and wider public interest justifies such action.

- **Honesty**

Members and employees have a duty to declare any private interests relating to their public duties and to take steps to resolve conflicts in a way that protects the Red Note and the public interest.

- **Leadership**

Members should promote and support these principles by leadership and example.

In practical terms these principles require directors, as a member of Board, to observe the highest standards of integrity, objectivity and honesty in all business.

Making Public Statements

Board members must be aware that, when writing or speaking on any matter related to Red Note, they might be perceived to be representing the Board – even when they think they are writing or speaking as a private citizen, or as a professional.

Being a Board member imposes certain restrictions on what can be said and to whom. It is essential good practice to clear articles or speeches on any subject matter which is at all relevant to the Board or Red Note, with the Chair of Board or CEO and Artistic Director in advance. If a director is approached by the media, it is good practice to leave such responses to the Chair of Board, CEO and Artistic Director or other designated officer of Red Note.

If in doubt, please check with the Chair, the CEO and Artistic Director Governance or the Company Secretary.

3.4 The Role of a Director

It is important to remember that the role of a director is distinct from the management team. A director should not act as a member of staff and become too involved in detailed management or implementation or be concerned with tools and processes. This distinction is an important part of the proper behaviours of directors and not as easy as it sounds. While it is relatively easy to keep strategy and planning at arm's-length from the day-to-day management of Red Note, monitoring requires detailed information and examination against targets which brings the director closer to the day-to-day business.

In broad terms directors monitor Red Note's progress towards the achievements of its strategic, financial and developments against a set of key performance indicators agreed by Board. It is for the Board to decide the information it needs in order to carry out its monitoring task and to ensure it is provided with this information.

What might a director do to achieve this monitoring of Red Note's performance and the conduct of the business without becoming involved in management's operations and decisions?

One useful concept is that of a 'critical friend' – to offer constructive but robust challenge and guidance. The aim is to keep the balance between too much understanding of problems and not enough, and between complacency and combativeness.

As well as a distinction between director and manager, it is important to distinguish the role of director as an individual and as a member of the governing body. The Board is corporate. The implications of this for the individual director are that the individual director:

- needs to be willing to work co-operatively with the other directors in Red Note's best interests;

- must respect the necessity to support corporate decisions once they have been taken, whatever one's personal view;
- must respect the decision that a matter should remain confidential to the Board;
- accepts the responsibilities attached to the role of Red Note director and abides by the regulations governing the conduct of directors and the conduct of the business of the Board;
- attends meetings of Board on a regular basis and be well prepared by reading relevant papers in advance;
- serves on occasional short-life working groups or panels, as required;
- undertakes such training and induction as may be required to carry out the role of a member of the Board and to keep up-to-date with developments in the creative sector;
- recognises and respects the difference between governing (Board's responsibility) and managing (the CEO and Artistic Director's responsibility);
- participates in the life of the Red Note community by attending concerts and public events and taking an active interest in the work of Red Note;
- promote Red Note in the wider community;
- critically evaluates their own performance to ensure they continue to bring value added in terms of having an independent perspective.

3.5 Responsibilities of Directors as Trustees

The Charities and Trustee Investment (Scotland) Act 2005 came into full effect on 24 April 2006 and established OSCR. Red Note is a registered charity and therefore subject to this legislation. OSCR intends to conduct a rolling review of existing charities to ensure that they comply with the charity test set out in Section 7 of the Act.

For the purposes of this legislation, members of Board are regarded as 'charity trustees'. The Act specifies that a charity trustee must:

- act in the interests of Red Note;
- seek, in good faith, to ensure that Red Note operates in a manner that is consistent with its objects or purposes
- act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person
- ensure that Red Note complies with the provisions of the Act, and other relevant legislation.

In addition to the general duties of charity trustees, the Act also puts specific duties on charities which charity trustees must ensure are met. These additional duties include:

- logging charity details on the Scottish Charity Register
- reporting to OSCR
- financial record keeping and reporting
- control of fundraising activities
- providing information to the public

For the avoidance of doubt, it is drawn to the attention of directors that under charity law the provision of a personal benefit can only be justified if it can be shown to be reasonable, necessary and also incidental to the role and duties that the directors carry out (i.e. it is something which to some extent is unavoidable).

Examples of what would be reasonable include parking facilities to enable directors to attend meetings or any other event connected with their role as director. The use of parking facilities for any other purpose would not be considered reasonable or justifiable.

OSCR has published detailed guidance for charity trustees on its website:

<https://www.oscr.org.uk/guidance-and-forms/being-a-charity-in-scotland/>

Other useful information and guidance can be accessed from the OSCR website homepage at:

<https://www.oscr.org.uk/>

3.6 Application for membership

The following arrangements apply to the appointment of directors:-

Application Procedure

Individuals expressing interest in the role of director are required to submit a written application for membership under Article 20 of the Articles of Association, together with a full CV and an explanation of the motivation for wanting to join the Board to the Chair. If deemed suitable an interview with the Chair and an Office Bearer shall follow. References may be taken up.

Selection Procedure

In selecting nominees to go forward to the full Board, the Board Membership Committee must have regard to the needs of the Red Note and the age, occupations, and gender distribution of existing members, to ensure a good balance of expertise, skills and independence.

Reporting to the Board

The Board Membership Committee submits a report to the Board for approval at the next board meeting making recommendations on the nominees to fill any current vacancies for appointed directors.

3.7 Period of Office

Members of the Board appointed under Article 20 of the Articles of Association normally hold office for a period of three years. The normal maximum period of continuous service for non-executive directors is nine years.

Resignation

If a member wishes to resign from the Board, he/she would normally write, in the first instance, to the Chair of Board, copying the correspondence to the Company Secretary and CEO and Artistic Director. Board members have a right to circulate any written concerns on resignation. Again these should be addressed to the Chair and/or Company Secretary.

3.8 Register of Interests

Any member of the Board who has a pecuniary, family or other personal interest in a matter discussed at a Board meeting they attend, should disclose the facts of the interest to the meeting as soon as practicable.

Directors are expected to declare their interest in any item of business considered by the Board before the item is discussed and any declaration is recorded in the minutes of the meeting of the Board. The Chair of the Board will then rule on the appropriate behaviour expected of the director. This will depend upon the particular circumstances of the item of business. The options open to the Chair are:

- a) allow the director to remain, speak and vote on the item
- b) permit the director to remain but not to speak or vote on the item
- c) request the director to leave the meeting for the duration of the item

In deciding whether an interest should be disclosed, members should have regard to whether that interest is likely or would, if publicly known, be perceived as being likely to interfere with the exercise of a member's independent judgement. If in doubt, please consult the Chair or the Company Secretary.

As members of the Board, directors are not considered to have a pecuniary interest in matters under discussion merely because they are a member of staff of Red Note. Nor does the restriction of involvement in matters of direct personal or pecuniary interest prevent members of the Board from considering and voting on proposals to insure the Board against liabilities which it might incur.

Each member of the Board should review and revise the information contained about them in the Register at least once every year. Any significant changes interests which occur during the year must be notified immediately to the Company Secretary.

Newly appointed and elected directors are required to complete a Register of Interests form.

3.9 Gifts and Hospitality

Red Note is committed to maintaining the highest standards and conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership and in accordance with its obligations under the Bribery Act 2010.

Gifts of a nominal value (£50 or less which will be subject to periodic review or a gift of a similar worth outside the UK) from outside individuals or organisations may be accepted.

Members of Board may accept meals and equivalent hospitality only in the normal course of business and only when the hospitality is appropriate and proportionate. What is reasonable should take into account the nature of the event, and a director should ensure the hospitality does not compromise them in any way. In general a meal, moderate associated activity and refreshment would be regarded as acceptable. The frequency and scale of hospitality should not normally be greater than Red Note would be likely to provide in return.

Members of the Board are required to record any gifts accepted by advising the Company Secretary.

3.10 Expenses

It is the policy of the Red Note that lay directors are allowed to claim for receipted expenses reasonably incurred while on Red Note business.

4. CONDUCT OF THE MEETINGS OF THE BOARD

This section provides some basic information about how Board operates.

4.1 Guiding Principles

In accepting appointment to Board, members are bound at all times to act in the best interests of the Red Note rather than in the interests of one group, internal or external, to Red Note.

A well-run board, both collectively and individually, embraces and demonstrates mutual respect, integrity, openness and accountability. Please see the Scottish Governance Code for the Third Sector in Part 2 of the Schedule.

4.2 Agendas, Papers and Minutes

Agenda papers for meetings of Board are likely to require at least two hours' study. Papers are circulated normally five working days before the date of the meeting. In addition, directors are notified by email when papers are ready for circulation and electronic copies can be accessed through the secure site for directors which is located on share Point. The draft minutes are normally circulated to the Chair of Board and the Company Secretary within 7 working days after the date of the meeting. Draft minutes are approved at the next Board meeting.

Red Note's value set adheres to the principles of openness and transparency in the dissemination of information throughout Red Note. However, there are occasions where the nature of the information discussed at Board is such that confidentiality must be observed. As a diverse range of people both within and outwith Red Note are involved in the Board, directors are requested to be mindful and to respect confidential information contained in documents circulated for consideration at meetings.

4.3 Timing and Length of Board Meetings

Board meetings are normally held on a Monday evening. Meetings typically start at 18:00 and last on average for two hours.

5. FINANCE

This section outlines the Board's responsibilities in relation to Red Note's finances.

5.1 The Role of the Board

Board should ensure that it is kept sufficiently informed about the finances to be able to discharge its accountability for the proper use of public funds, whether by preventing abuses or by promoting value for money.

5.2 Creative Scotland

Creative Scotland is the body that distributes funding from Scottish Government and the national Lottery to support the arts, screen and creative industries in Scotland teaching, research and other activities. Further information about Creative Scotland, its role and responsibilities is available at the following website:

<https://www.creativescotland.com/>.

6 EQUALITY, DIVERSITY & INCLUSIVITY

This section outlines Court's responsibilities in relation to the promotion of equal opportunities.

6.1 The Role of the Board

The Board is ultimately responsible for ensuring that Red Note's policies, procedures and actions comply with the requirements of the law relating to equal opportunities in terms of the promotion, appreciation, understanding and development of music and music theatre and as an employer. There is a well-established body of law to cover gender, race and disability discrimination, and an emerging body of regulations in relation to religious, sexual and age discrimination.

New members of the Board should be aware of the importance that is attached to equality of opportunity as one of Red Note's core purposes and values. This is not simply a matter of seeking to stay within the law by avoiding discriminatory practices in employment but of actively seeking to promote greater access, wider opportunities for those who work and study here and of celebrating the diversity of our different communities.

6.2 Red Note's vision for Equality, Diversity & Inclusivity

A culture and environment which is inclusive of all sections of society and responsive to the needs of individuals. Resulting in staff and other stakeholders who are free from any form of discrimination in respect of all their dealings with Red Note, enabling them to participate fully in all aspects of Red Note and make a valuable contribution to the success of the organisation.

SCHEDULE

Part 1

Current Membership of the Board:

Office Bearers

Fiona Duncan: Chair

[currently vacant]: Treasurer

Lindsey Shields: Company Secretary

Ian Smith: Vice Chair

Members and Directors

John Harris: CEO and Artistic Director

Fiona Duncan

Alison Fleming

Daniel Lewis

Isla MacLeod

Lindsey Shields

David Sinclair

Ian Smith

Lynn Sweeney

Part 2



SCOTLAND'S
THIRD SECTOR
GOVERNANCE
FORUM

THE SCOTTISH GOVERNANCE CODE FOR THE THIRD SECTOR

The Five Core Principles

Organisational Purpose

A well-run board is clear about the purpose and values of the organisation and how it will achieve its aims.

Leadership

A well-run board is clear about its role and responsibilities, and provides strategic direction in line with the organisation's purpose, vision and values.

Board behaviour

A well-run board, both collectively and individually, embraces and demonstrates mutual respect, integrity, openness and accountability.

Control

A well-run board will develop and implement appropriate controls to direct and oversee progress and performance of the organisation.

Effectiveness

A well-run board understands its role, powers and duties and works collectively and proactively, to achieve its organisational purpose.

Further information can be found here:

<https://goodgovernance.scot/governance-code/about-the-code/>

Part 3

GLOSSARY OF USEFUL TERMS

ACCOUNTABLE

Answerable to

ACCOUNTABILITY

The unavoidable duty to explain the ways in which an individual or group has carried out the obligations placed upon them by law, a governing body, or governing document. Whilst the discharge of these activities/obligations may be delegated to others, the obligation to account for the actions cannot be delegated.

ACCOUNTS

Accounts represent the organisations finances for a particular period (usually a year). They show how much money was received and how much was spent, broken down into different categories. Charities must prepare accounts each year and must send a copy of to OSCR each year.

AGENDA

A list of items to be discussed at a formal meeting

AIMS

Particular changes the organisation plans to bring about for its beneficiaries, service users and/or community.

ANNUAL GENERAL MEETING

The yearly meeting of your members to report on the year's activities and elect trustees.

ANNUAL REPORT

The yearly meeting of the members of an organisation. Its purpose is to:

By law companies limited by guarantee must have an AGM.

APPRAISAL

A formal assessment of performance over a set time frame.

ARTICLES OF ASSOCIATION

In a company limited by guarantee, the articles of association set out the members' rights, directors' power and how the organisation makes decisions. (This is one of two formal governing documents which are used to set up a company limited by guarantee. The second is the Memorandum of Association).

ASSETS

Everything your organisation owns that are of value, including buildings, equipment, money, trademarks and intelligence. Can also include intangible items such as reputation, skills and experience.

AUDIT

An official inspection of an organisation's accounts by an independent body.

AUTONOMOUS BODY

A self-governing, independent body which is free from external control and constraint.

BENEFICIARIES

The people who your organisation is set up to help, those who benefit from what you do.

BOARD

A group of elected or appointed people who are ultimately accountable and collectively responsible for the governance and strategic direction of an organisation. Can also be known as the committee, the trustees or the directors.

BUDGET

A plan, expressed in financial terms, for the purpose of carrying out, for a specific period, any or all of the functions of the organisation.

BUSINESS CONTINUITY PLAN

This is a plan to determine how the organisation will be maintained in the future.

CEO (CHIEF EXECUTIVE OFFICER)

The person responsible for managing the activities of an organisation. This person reports to the governing body. The post of CEO is usually a paid position.

CHAIR/CONVENOR

The trustee who leads meetings ensures procedures are followed. Key duties may include:

- providing leadership to the board
- preparing meeting agendas in consultation with trustees and staff
- ensuring meetings are run efficiently, and discussion and decision-making is democratic and fully participative
- holding the casting vote in the event of a split decision
- formal oversight of the Chief Executive if the organisation has staff.

CHARITY

An organisation which has only charitable purposes (as listed in the [2005 Act](#)) and is for the public benefit. An organisation is a charity in Scotland when it is entered on the [Scottish Charity Register](#).

CODE OF CONDUCT

An agreed set of guidelines outlining the responsibilities and standards expected of trustees. Its purpose is to help avoid or address problems and provide trustees with an understanding of what is expected of their role.

COLLECTIVE RESPONSIBILITY

All trustees are responsible for their own actions, and for the actions and decisions taken by the trustees when acting together. Trustees collectively have the ultimate responsibility for running their organisation, for its property, finances, staff and volunteers. Trustees can delegate some of their authority (eg to staff), but they can never delegate their responsibility. As responsibility is collective, if there are any legal or financial repercussions from decisions made by trustees, then all members of that group can be held legally liable in equal proportion. The behaviour of one trustee is the concern of all the others. If a trustee is absent from a meeting, they are still responsible for decisions made when they were not present. Their absence does not absolve them from responsibility or liability.

COMPLIANCE

The act of conforming to official requirements.

CONFLICT OF INTEREST

A conflict of interest may arise in a situation where a trustee may obtain personal benefit from a particular decision in relation to the organisation, or when a personal interest may get in the way of making decisions in the best interests of the organisation. Trustees should be alert to all the circumstances where a conflict, actual or perceived, could arise. A policy setting out what a conflict of interest is, and how you will manage situations where a conflict arises, is strongly recommended for good governance.

DELEGATE

To give another person the authority to do work and/or take decisions on your behalf.

DISSOLUTION OR WINDING UP

The process of formally closing an organisation.

DIVERSITY

Diversity can encompass many characteristics such as: age, gender, race, ethnicity, religion, marital status, sexual orientation, economic, cultural and social background, level of educational attainment and professional background. Recognising diversity in governance is about respecting and valuing people's differences, and enabling them to contribute and realise their full potential within an inclusive culture.

ETHICS

Standards of morality and conduct of either an individual or organisation.

ETHOS

The distinguishing values, beliefs and character of an organisation.

EVALUATION

Using information from monitoring and elsewhere to judge the performance of an organisation.

FUNDRAISING

The generation of voluntary income from a wide range of sources and activities.

GOVERNANCE

Governance is about leadership and the work of the trustees to ensure the organisation is effectively and properly run.

GOVERNING BODY

The group or body ultimately accountable for the organisation. Also known as the Management Committee, the Executive Committee, the Board, the Trustees, or the Directors, depending on your legal structure.

GOVERNING DOCUMENT

A formal, written document, that sets out the organisation's purpose and how it will be run. It will usually include details about who will manage and control the organisation, what its powers are, what it can do with the organisation's assets, and membership of the organisation. The document may take many forms, eg constitution, trust deed, memorandum and articles, rules, Royal Charter.

INCORPORATED

Means that an organisation is established as a separate legal entity, eg a Scottish Charitable Incorporated Association, a company limited by guarantee.

INDUCTION

A formal process of introduction and training to the board so that a trustee can become as effective as possible, as soon as possible.

KEY PERFORMANCE INDICATOR

This is a measurement of the degree of progress towards an organisation's aims and objectives.

MEMBERSHIP ORGANISATION

Membership organisations are probably the most common type of organisation in the third sector. They have a two-tier structure where the board is elected by, and accountable to, a wider body of ordinary members. Many mainstream charities are membership organisations. Various social clubs and sports clubs, most community-led charities, community development trusts, housing associations and credit unions also fall within this category.

Members usually have the right to vote, receive information on the running of the organisation, attend the Annual General Meeting (AGM), and have the power to take certain fundamental decisions, such as making changes to the constitution and dissolving the organisation. It is important to carefully consider who can be eligible for membership.

In general, people (or organisations) usually become members when their name is entered in the register of members which is a formal document required of SCIOs, companies, and other organisations.

Members of SCIOs are subject to some of the same duties as charity trustees, specifically, they must act in the interests of the SCIO, and seek, in good faith, to ensure the SCIO acts in a manner which is consistent with its charitable purposes.

For companies membership is limited to the subscribers to the memorandum and to those who are admitted to membership under the rules set out in the articles. For a charitable company, a member is essentially a guarantor in a company limited by guarantee.

Members of unincorporated associations usually become so by agreeing to abide by the rules set out in the constitution.

MEMORANDUM

The memorandum gives details of a company's name, its objects and the limits of the members' liability if the company has to be wound up. (This is one of the two formal documents which are used to set up a company limited by guarantee. The second is the articles of association).

MINUTES

Permanent, formal, and detailed (although not verbatim) record of discussions and decisions made at board or annual general meetings. Once written up and approved at the next meeting, the minutes are accepted as a true representation of the proceedings they record.

MISSION

Why an organisation exists and the broad effect it wants to have. A summary of the overall difference it wants to make. Often produced as a result of organisation-wide discussions.

MONITORING

Collecting and recording information in a routine and systematic way to check progress against plans and enable evaluation.

OBJECTS

The statement of an organisation's purpose, describing the reason for its existence, set out in its governing document. Also known as objectives, aims or purposes.

OFFICE BEARERS

Defined roles on the board such as Chair, Treasurer and Secretary.

OPERATIONAL/BUSINESS PLAN

Document describing an organisation and its activities, or a specific project. It sets out goals, plans, finances and any risks faced. Most successful operational plans flow from an already agreed upon strategic plan.

OUTCOMES

The ultimate consequence or impact of an organisation's activities.

POLICIES

Statements which describe the desired conduct of the organisation, its volunteers and staff, and how to remedy any breaches.

PROCEDURES

Statements that describe the way in which a policy will be implemented.

PROXY

Someone who is authorised to act as a substitute for another.

PURPOSES

The statement of what your organisation has been set up to achieve, set out in the governing document. It should reflect the organisation's broad aims, rather than the day-to-day activities. Also known as objects, objectives or aims. A charitable purpose is one that falls within one or more of the 16 descriptions of purposes listed in the [Charities and Trustee Investment \(Scotland\) Act 2005](#)

QUORUM

This is the minimum number of trustees necessary to make decisions and conduct the organisation's business, the number of people needed to be present at a meeting for it to qualify as a properly constituted meeting. This number is often set out in the organisation's governing document.

REGISTER OF INTERESTS

A record kept of the interests and perceived interests (personal, charity, business and financial) of trustees that could potentially influence their official duties and lead to a conflict of interest.

REGULATOR

A person or body empowered by law/statute that supervises a particular industry or activity to ensure that public benefit is maintained.

REMUNERATION

Any payment or benefit in kind (any non-cash benefit of monetary value).

RESERVES

Financial resources or commodities not needed for immediate use but available if and when required to spend on any of the organisation's purposes.

RESOURCES

Everything an organisation draws on to carry out its activities. These will include people, equipment, money and services. Can also include the less tangible: time, morale, reputation and knowledge.

RESTRICTED FUNDS

Funds given to your organisation for a specific purpose. These funds must be spent in accordance with the donor's wishes.

RISK MANAGEMENT

The analysis and management of situations where someone, or something, could be exposed to danger, harm, or loss. This involves the identification and assessment of risk, the decision whether to accept, guard against, prevent, or insure against the occurrence and process of implementing such decisions.

SAFEGUARDING

Safeguarding basically means ensuring there are measures in place to make sure that beneficiaries and anyone who come into contact with your organisation are protected from harm. Safeguarding is everyone's responsibility, and for both trustees and staff it means going over and above your minimum legal responsibilities and making sure the culture within your organisation is to respect and protect the people there.

SECRETARY

The Secretary can be responsible for many specific tasks, some of which will be regular practical administrative duties of paid staff in larger organisations. These can include:

For companies, unless your governing document states it as a requirement, you no longer have to have a company secretary under company law. The position of a 'company secretary' has a specific legal meaning, and is responsible for ensuring that company law is complied with. Their duties include:

The company secretary doesn't have to be a board or staff member, or anyone directly connected to the organisation. It is a role that may be held by an accounting or law firm. If a board member is the company secretary they retain all the normal rights and responsibilities of a director – including the right to make decisions and vote at board meetings. If a member of the company is the company secretary they retain the normal rights and responsibilities of membership including the right to vote at general meetings. If the secretary is someone else, e.g., a staff member, the position does not automatically make them a member of the board, or a member of the organisation, and they have none of the rights or responsibilities of either.

SKILLS AUDIT

A process for exploring and recording the skills of an individual or group. The purpose is to identify the skills and knowledge that the organisation currently has, and may require in the future. Can be part of a board annual self-assessment or trustee recruitment process.

SOCIAL ENTERPRISE

There is no legal definition of social enterprise. Social Enterprise Scotland defines social enterprises as businesses that exist to deliver a specific social and/or environmental mission. They aim to make a profit, 100% of which is reinvested into their social and/or environmental purpose. Social enterprises in Scotland have an "asset lock" on all their buildings, land and other assets i.e. only the community and society can profit from their work.

SORP

[Statement of Recommended Practice](#) which outlines how charities must account for their finances.

STAKEHOLDER

Anyone with a significant interest in the effectiveness of an organisation, eg members, trustees, beneficiaries, staff, volunteers, funders, suppliers, regulators.

STRATEGY/STRATEGIC PLAN

A strategic plan is a set of principles and assumptions about how the organisation will achieve its mission. It includes a plan of action designed to achieve a long-term or overall aim.

SUCCESSION PLANNING

Succession planning is about proactively and continually developing the effectiveness of a board. By looking ahead, and taking into consideration the terms of office of each trustee, if the terms are renewable or not, and the skills and experience of each individual, you should be able to plan when new people will need to be brought in to replace departing trustees and how to recruit them. A succession plan should smooth the transition as board members leave and are replaced.

SUSTAINABLE

Able to continue over a period of time

TARGET

Defined level of achievement which a project or organisation sets itself to achieve in a specific period of time

TERMS OF REFERENCE

A set of guidelines setting out the function of a group such as a board or a sub-committee. The terms provide information on purpose, goals, main activities and calendar.

THIRD SECTOR

The third sector includes charities, social enterprises and voluntary groups, who play a vital role in supporting communities at all levels. It's made up of non-governmental and non-profit distributing organisations that deliver essential services, help to improve people's wellbeing, and contribute to inclusive economic growth.

TREASURER

The treasurer is a board member who assists and advises the board in overseeing the finances. However, it's important that all trustees collectively play their part in financial monitoring and decision-making.

TRUSTEE

Trustees have general control and management of the administration of a third sector organisation, regardless of what they are called, and are legally liable for the organisation. May also be known as a board member, committee member, governor or director, depending on the legal structure of the organisation. Charity trustees have specific duties and responsibilities.

VALUES

The principles and beliefs which the organisation seeks to apply, both in setting its mission and aims, and in its day-to-day operations.

VISION

What the world will look like if the organisation is successful in achieving its mission.

VOLUNTEER

A person who works for an organisation without being paid, except for their expenses.

WHISTLE BLOWING

Action, or process, by which a person associated with an organisation (eg an employee or volunteer) reports any wrongdoing to an external source.

Part 4



FILE COPY

**CERTIFICATE OF INCORPORATION
OF A
PRIVATE LIMITED COMPANY**

Company No. 355726

The Registrar of Companies for Scotland hereby certifies that

RED NOTE ENSEMBLE LTD

is this day incorporated under the Companies Act 1985 as a private company and that the company is limited.

Given at Companies House on **27th February 2009**



NSC355726J



THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES of ASSOCIATION

of

RED NOTE ENSEMBLE LTD

(Registered Number: SC355726)

TUESDAY



"S69HLI96"
SCT 27/06/2017 #166
COMPANIES HOUSE

Adopted: 24 July 2014
(as amended by special resolution passed on 30 May 2017)

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