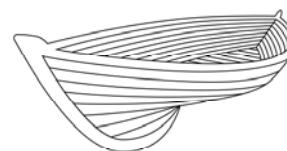


**Shetland Arts Development Agency
Board of Trustees Meeting
Saturday 12 February 2011 at 10.00am
Venue: Shetland Arts, Toll Clock Centre, Lerwick**



Shetland *arts*

Item	Description	Report	Item taken by	ACTION
1	Apologies and welcome	Verbal	Chair	Note
2	Minutes of last meeting			
2a	Approval of Board Minute for accuracy – meeting of the 20/11/10	Attached	Chair	Approval
2b	Matters arising that don't appear within the agenda	Verbal	Chair	Discussion
3	Finance and Management			
3a	Management Accounts	Attached	Director	Decision
3b	Directors travel update	Attached	Director	Note/ discussion
3c	Creative Scotland Foundation Status Review	Attached	Director/ Arts Development Manager	Note/ discussion
3d	Budget review and process 2011/12	Attached	Director	Note/ discussion
3e	Tall Ships involvement	Verbal	Chair	Discussion
	Large Scale Project Updates			
4	Mareel Project			
4a	Construction update	Verbal – detailed papers available on Basecamp	Director	Note
4b	Operational update	Verbal – detailed papers available on Basecamp	Director	Note
4c	Westside Cluster	Attached	Director	Note
4d	UHI Music Courses	Attached	Director	Note
5	AOCB			
6	Dates of future meetings			
6a	SADA Board Meeting: Wednesday 23 rd March Bonhoga Gallery, Weisdale SADA Finance Sub-Group Meeting: Toll Clock Office	Attached	Chair	Confirm dates and venues for future meetings

CLOSED ITEMS

	Closed items from previous minutes matters arising	None	Chair	
A	Mareel cost report	Basecamp	Director	Note

Income	Approved Board	Approved SCT		Quarter 1 Apr - Jun	Quarter 2 July - Sept	Quarter 3 Oct - Dec	Quarter 4 Jan - Apr	Variance against estimates £	% of actual quarter income against budget estimates	Remainder between actual income and yr budget	Notes	
	2010 - 2011 Budget for the Year	2010 - 2011 Budget for the Year	Quarterly Budget estimates	Actual April/May/June	Actual July/Aug/ Sept	Actual Oct/Nov/ Dec	Actual Jan/Feb/ Mar					
Box Office/Programme income	£ 172,350	£ 172,350	35,123	14,642.99	35,849.26	43,138.75		-8,016	123%	£ 78,719	1	93,631.00
Ancillary Earned Income	£ 276,700	£ 276,700	47,598	29,870.69	47,544.53	31,125.23		16,473	65%	£ 168,160	2	108,540.45
Other Earned Income	£ 12,000	£ 12,000	4,000	16,135.02	34,494.14	-12,910.82		16,911	-323%	£ 25,718	3	37,718.34
Business Sponsorship	£ 7,100	£ 7,100	1,700	100.00	3,660.00	1,286.36		414	76%	£ 2,054	4	5,046.36
Trusts, Donations	£ 73,715	£ 73,715	17,000	183.69	20,623.10	2,780.05		14,220	16%	£ 50,128	5	23,586.84
Revenue Scottish Arts Council	£ 156,803	£ 156,803	39,201	52,268.00	28,634.00	52,268.00		-13,067	133%	£ 23,633	6	133,170.00
Project Funding SAC (Voted and Lottery)	£ 70,000	£ 70,000	9,500	6,648.00	201,437.16	-115,723.68		125,224	-1218%	£ 22,361	7	92,361.48
Local Authority - Project Funding	£ 0	£ 0	0	-5,107.00	-2,595.60	1,535.00		-1,535		£ 6,168	8	-6,167.60
Other Public Funds	£ 830,959	£ 767,038	373,519	352,444.00	44,657.71	358,940.35		14,579	96%	£ 10,996	9	756,042.06
Total Income	£ 1,599,627	£ 1,535,706	£ 527,641	£ 467,185	£ 414,304	£ 362,439		£ 165,202	89%	£ 291,777		1,243,928.93

Expenditure	Approved Board	Approved SCT		Quarter 1 Apr - Jun	Quarter 2 July - Sept	Quarter 3 Oct - Dec	Quarter 4 Jan - Apr	Variance against estimates £	% of actual quarter spend against budget estimates	Remainder between actual spend and yr budget	Notes	
	2010 - 2011 Budget for the Year	2010 - 2011 Budget for the Year	Quarterly Budget estimates	Actual April, May, June	Actual July/Aug/ Sept	Actual Oct/Nov/ Dec	Actual Jan/Feb/ Mar					
All Staff Costs	887,018	873,098	£ 220,775	203,202.87	140,928.40	268,414.21		-47,639	122%	£ 260,553	10	612,545.48
Programme	183,707	155,782	£ 38,946	28,433.03	96,450.25	93,755.43		-54,810	330%	£ 62,857	11	218,638.71
Marketing Projects	43,920	26,420	7,280	4,375.94	7,854.00	3,261.91		4,018	75%	£ 10,928	12	15,491.85
Marketing (Strategic)	20,000	20,000	3,750	3,215.14	23,017.75	3,421.20		329	106%	£ 9,654	13	29,654.09
Education	159,713	159,713	£ 41,670	19,871.57	20,111.86	12,986.85		28,683	31%	£ 106,743	14	52,970.28
Project Overheads	0	0	0	470.64	20.93	127.02		-127		£ 619	15	618.59
Overheads	305,268	300,693	£ 73,587	70,178.99	109,189.83	40,871.73		32,715	58%	£ 80,452	16	220,240.55
Other Expenses	0	0	£ 0	36.72	0.00	3,214.16		-3,214	8753%	£ 3,251	17	3,250.88
Total Expenditure		1,535,706	386,008	329,785	397,573	426,053		-40,045	85%	£ 382,296		1,153,410.43
Total Expenditure	0	1,535,706	386,008	329,785	397,573	426,053		-40,045	85%	£ 382,296		1,153,410.43
Total Income	1,599,627	1,535,706	527,641	467,185	414,304	362,439		165,202	89%	£ 291,777		1,243,928.93
Net Surplus/Deficit	1,599,627	0	141,633	137,400	16,731	-63,613		205,246		90,519		90,518.50

Management A/C	Income	£ 1,243,929
Mareel Capital Costs	Income	£5,062,854.75
	Total Income	£6,306,783.68
Management A/C	Expenditure	£1,153,410.43
Mareel Capital Costs	Expenditure	£3,695,357.40
	Total Expenditure	£4,848,767.83

Notes to Management Accounts (to end December) 2010/11

General Statement: Although income exceeds expenditure at the end on Quarter Three, the forecast for the final quarter is estimating a loss for the year of approximately £18,000. Work is ongoing to reduce the deficit as much as possible, and the figure will change with adjustments made to accruals and prepayments for the year.

Total Net Profit/Loss for Quarter to date - £90,518.50 (positive) excluding capital costs

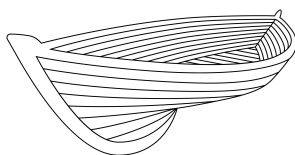
Notes on Quarter

Income

1. With the income from Harry Potter films in December, the target has been exceeded.
2. Ancillary/Other Earned Income combined is below target. Sales at Weisdale Mill suffered as a result of bad weather and closures to the Gallery. Income from Garrison Hires is also less than expected.
3. Other Earned Income shows a surplus mainly due to Fiddle Frenzy student fees, which were originally budgeted as Ancillary Income, (see Note 2).
4. Business Sponsorship is still slightly down on expected figures.
5. Trusts/Donation income is well below target and spread across all art forms.
6. Creative Scotland revenue is received monthly (total includes January).
7. Mirrie Dancers income of £117,780 and Strategic Projects income of £77,036 are the primary sources of additional income in this area.
8. Local Authority Project Funding – outstanding grants from last year still due to be received.
9. Other Public Funds is close to target.

Expenditure

10. Figures include December and the total is within budget.
11. The Programme total includes Mirrie Dancers expenditure of approx £36,000 and £15,000 for Mareel Lighting (NK Projects)
12. Marketing for Projects is within budget
13. Marketing for SADA includes consultancy work for Creative Scotland, which has additional grant funding.
14. Education project expenditure is below target.
15. Project overheads are slight, the main costs budgeted within programming or education.
16. SADA overheads overspend on Garrison, to date by over £14,000 mainly due to a shortfall in grant funding from SCT. Shetland Box Office budget is also overspent by £10,000 approx.
17. Other Expenses are primarily Music overtime payments for Fiddle Frenzy.



Shetland *arts*

To: Board of Trustees – Shetland Arts

12 February 2011

From: Director, Shetland Arts

1. Trips undertaken off island by the Director since last Board Meeting (20 November 2010)

When	Where	Why
13/01/10	Newcastle	Meeting with The Sage regards Mareel collaboration
14/12/10	Edinburgh	Meeting with Tods Murray LLP
14/01/11	Edinburgh	(re)evolver session
15/01/11 – 16/01/11	Glasgow	B4Films Meeting/ David Williams Meeting Celtic Connections
17/01/11	Edinburgh	George Mackey Brown Project meeting
27/01/11	London	MMM Conference, National Theatre
28/01/11	London	Franklin Rae meeting/ Kate Swan Meeting
29/01/11 – 30/01/11	Glasgow	Celtic Connections/ meeting with Nic Wistreich
31/01/11	London	Meetings with TV Production companies

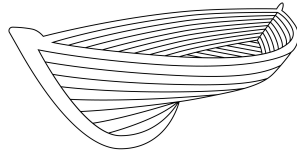
2. Director planned off island trips

When	Where	Why
15/02/11- 16/02/11	Inverness	HIE Policy Review Retreat
17/02/11	Glasgow	Creative Scotland Foundation Status Review interview
16/03/11 – 17/03/11	London	Film/ TV Production companies meetings
25/03/11	London	(re)evolver session

Please note Gwilym Gibbons will also be on leave from April 6th – 18th.

3. Recommendations

The Board are asked to note the above report.



Shetland *arts*

To: Board of Trustees – Shetland Arts

12 February 2011

From: Arts Development Manager, Shetland Arts

Creative Scotland Foundation Organisations Review Report

1. Shetland Arts, formerly Shetland Arts Trust, has been delivering arts activities to the community of Shetland since 1985. During that time it has received national and international recognition for the quality and breadth of its work, and this has been recognised in its being awarded core-funded status, later foundation organisation status, by the Scottish Arts Council, now Creative Scotland. From April 2008 Shetland Arts has been on a journey towards becoming a 'more than profit' social enterprise, with the aim of reducing dependency on a limited number of core funders, increasing independence and sustainability while maintaining the organisation's charitable status. Although Shetland Arts is exploring and diversifying its income base, wherever possible it aims to maintain an entrepreneurial, mission- centric approach to its enterprises. Its aim is to promote, develop and celebrate the distinctive art, culture and creativity of the islands, resulting in a Shetland that is **creative, confident and connected**.
2. In July 2010 Shetland Arts undertook a review of its Business Plan 2008 – 2013 given the number of significant changes, pressures and opportunities we faced over the coming three years. Post Global Financial Crisis (GFC), climate change and rising energy costs will all have a significant impact on how Shetland Arts moves towards a sustainable model of operation.
3. The construction of Mareel, Shetland Art's new £12.2m music, cinema and creative industries centre (due to open in summer 2011) is also a major growth element for the organisation. SADA's turnover that has grown by 250% over the past three years to £1.7m; by 2013 Shetland Arts has a projected turnover of £2.6m.
4. In July 2010 the Board of Shetland Arts identified six strategic priorities for the organisation to focus on in the coming three years:

"1. Financial stability and diversification

a) Reduce revenue grant dependency to just 25% of turnover by 2013. This will be achieved through growth (principally the opening and operation of Mareel) and the diversification of income streams including: trading, commission, consultancy and implementation of 'full cost' recovery budgeting against project activity

b) Complete the construction phase of Mareel ensuring the new complex is opened within the £12.2m budget in summer 2011

c) Recruit, induct, train new staff team to operate Mareel and implement revised staffing

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structure by July 2011

- d) Operate Mareel as a 'stand alone' business unit of Shetland Arts ensuring the new enterprise is cost neutral or generating a small surplus by 2013*
- e) Reduce carbon use by 10% year on year based on an annual baseline set in April 2011*
- f) Reduce office overhead costs by 15% by 2012 through relocating staff; reducing energy use and seeking income opportunities from office locations.*

"2. Intellectual Property

- a) Secure, protect and exploit all intellectual property (IP) owned by Shetland Arts*
- b) Actively seek opportunity to own IP both generated through SADA activity and venues as well as through the acquisition of IP owned by others*
- c) Build an IP Endowment for Shetland Arts*
- d) Position Mareel as a world-renowned content generator for broadcast, download and film*
- e) Seek to maximise income back to Shetland from film and TV location work in the isles*
- f) Undertake consultancy work when appropriate to capitalise on staff expertise, knowledge and skills.*

"3. Capital asset development

- a) Develop the Westside Cluster Project so that Weisdale Mill and its buildings become as sustainable as possible both environmentally and financially. Target the Westside Cluster to become a self-sustaining business unit of Shetland Arts by 2015. To that end Shetland Arts will design and source finance for a major capital project by April 2012 with renovation/ new construction worked planned for late 2012.*
- b) Shetland Arts will liaise with Shetland Charitable Trust and stakeholders regarding renovation and expansion plans for The Garrison Theatre. The priorities are the creation of a foyer space that can accommodate a full house and provide refreshments facilities and energy saving and generation.*

"4. Strategic art form development

- a) The development of 3 year art form Development Plans with a focus on how best to target limited resources, maximise income generation and IP ownership and maintain mission delivery.*

"5. Governance and Board development

- a) Complete legal structure review and implement change where required. When appropriate, create new legal entities to protect current activity and support income generation opportunity.*
- b) Develop a 'Friends Scheme' that supports increased community engagement with Shetland Arts activity and venues.*
- c) Undertake Board recruitment to bring Trustees number back up to eleven by September*

2010.

d) Board development and governance training with external trainer and facilitator.

“6. Quality assurance

a) Review, revise and implement organisational staff appraisal scheme. New system to be in place and operating by April 2011.

b) Maintain Quality Framework evidence collation and delivery

c) Seek cost effective external evaluation, accreditation and recognition when and where appropriate.”

5. Investing in Talent

5.1 Shetland Arts invests in talent by providing funding, opportunities and development activities for artists at all levels of ability.

5.2 *Funding* SADA works in partnership with the Shetland Charitable Trust to administer the Shetland Arts Fund, a development fund worth £35,000 annually to which local groups and practitioners can apply. The guidelines lay emphasis on development, quality and benefit to the community. Examples of successful applicants include Shetland Blues Festival, Shetland Film Club Outreach Programme, young singers and musicians wishing to attend national events like NYCOS and NYOS, Shetland writers wishing to perform at mainland book festivals such as Stanza, and artist groups such as Veer North who were undertaking an exchange project with Scandinavia.

5.3 SADA has for the past three years administered funding devolved from Scottish Arts Council/Creative Scotland for individual visual artists and craft makers, supplementing the amount devolved with matched funding from the SIC's Economic Development Unit. Since the devolved funding schemes were started, 14 artists and 50 makers have been supported, with the emphasis being on development, assisting those who need a comparatively small amount of financial help in order to effect big changes in their working practice. SADA would be happy to continue administering devolved funding from Creative Scotland should the schemes continue.

5.4 *Opportunities* SADA invests in talent by providing performance, training, professional development and commercial opportunities for artists. The Bonhoga Gallery will continue to offer a broad range of local, national and international contemporary visual and applied arts exhibitions, whilst ensuring that exhibition opportunities are offered to local artists and graduates, often providing them with their first solo shows. Similarly, we have provided performance opportunities for Shetland musicians at home and at events on the mainland and abroad, whilst annual events such as Fiddle Frenzy provide development opportunities not only for performing but for tutoring as well. SADA invests a lot of time in advising, supporting and mentoring artists in all art forms, in order to help them achieve their creative potential. Mareel will be crucial in providing a platform for musicians, film makers, digital media practitioners, as well as training and development opportunities. Its digital technology will extend these opportunities beyond Shetland.

6. Investing in Quality Production

6.1 Shetland Arts adopts an asset based approach to the decisions that inform the targeting of

resources to all arts development activity. Quality is a key asset that is considered in any project both in terms of artistic practise and levels of engagement and participation. Shetland Arts believes that maintaining focus on quality of artistic endeavour is the distinguishing factor that sets an arts organisation aside from other non-arts based organisations that use arts based practice to deliver other social outcomes. *Hansel for Art* sets out our arts development process and how we assess the value and quality of the projects we invest time in.

7. Investing in Audiences, Access and Participation

- 7.1 *Audience development* SADA has approached, and continues to approach audience development using quality as the main driver. We have found that audiences will often take risks on experiencing the new or the different if they can be reassured that they will have a quality experience. Sometimes this will be about offering them big names they know they can trust such as Scottish Opera, Scottish Ballet or high profile writers like Adrian Mitchell, Ian Rankin and Iain Banks; at other times it might rest on the reputation of local companies doing exceptional art. With Shetland Youth Theatre, for example, we have always sought to push the boundaries in terms of plays, venues and in terms of what is demanded from actors and audience alike. This has resulted in audiences willing to be challenged as well as entertained. Similarly, the Screenplay Film Festival has had to grow audiences by gradually gaining their trust. They may not have heard of many of the films being screened, but they have come to trust the curators and the artistic direction, such that the attendance figures have more than tripled over the past three years.
- 7.2 Audience development has not always been a smooth process; growing audiences for contemporary dance has been particularly difficult, and for a while audiences for touring theatre were hard to tempt in, in spite of the national/international quality of the performers and companies. Reduced availability of the theatre due to high rates of community bookings and monthly film screenings has exacerbated the situation. Whilst this will be relieved with the opening of Mareel, significant investment will be needed to tempt audiences back into the theatre for dance and touring theatre companies.
- 7.3 Mareel's business plan depends on our being able to attract not only mainstream audiences but every possible niche audience as well. This will be achieved through careful programming and an active marketing strategy.
- 7.4 *Outreach* SADA has a commitment to access and participation which is reflected in our outreach work. The Bonhoga Touring Exhibition regularly visits three of the more remote islands, although we intend to review this to see if it can be extended and enhanced. We try to ensure that wherever possible, visiting artists perform or carry out workshops in the rural communities in addition to their appearances in Lerwick. The same is true for artists' residencies, although we recognise the danger of tokenism here: 'parachuting' artists into communities for one or maybe two visits. We would like to site some of the future residencies in communities or in organisations such as fish factories, Disability Shetland, hospitals or residential care homes for the elderly in order that participation can take place on a different level with people who might not normally engage with the arts. (For example, our next short writing residency will be based in Unst, and will be designed to enhance the island's annual summer festival).
- 7.5 Wherever we can we work with other agencies and organisations (both voluntary and statutory) to extend our outreach work. Shetland Film Club undertakes our film outreach programme, and we work in partnership with the Community Mental Health Team, the Social Care Department, the Library Service, Youth Services and the Education Department, as well as supporting local arts providers such as drama groups. We can

foresee building stronger and broader partnerships to extend access and participation and to make the best of our joint resources. Barriers to participation in Shetland often include factors beyond our control such as transport and family poverty; we intend to engage with agencies that might be able to affect issues such as this in order to create a fairer and more equitable experience for all.

- 7.6 *Shetland Islands Council Education/Schools Service* SADA has been able to forge an excellent relationship with the local education department, especially since the establishment of the Creative Links posts. A member of the Creative Links staff attends our fortnightly arts development meetings, thus ensuring that new developments in both agencies are shared, and that joint planning works well. We try to add value to the visits of artists by encouraging them to perform or do workshops in schools, and some initiatives are planned with schools exclusively in mind, such as the Primary Schools Writers Residencies. More structured educational activity is provided through the support of the Vocational Pathway courses in sound recording and engineering, and the Bonhoga Gallery Education Programme, which also offers CDP for teachers. More ambitious, one-off events such as the recent LoveMusic project have found SADA and Creative Links pooling our resources in order to deliver the best possible experience to as many young people as we can. We are currently applying for three year funding from the Princes Trust *Start* project to encourage growing relationships between school pupils and Mareel.
- 7.7 Current challenges in local education include the withdrawal of funding for free instrumental and knitting tuition; as music and textiles have played a major part in Shetland's culture over the years. We will be working with our colleagues in education to see how we can develop other opportunities in these areas.
- 7.8 By 2012 – 13 SADA would like to be more involved in Moving Image Education in Schools as part of the Curriculum for Excellence.
- 7.9 *Further Education and Lifelong Learning* By 2012 – 13 we should be welcoming our second intake of NC and first intake of HNC music students to Mareel where we will be delivering the course in partnership with Shetland College/UHI. Mareel will also host placements for students from mainland colleges and international higher education institutions. Mareel will provide two Creative Apprenticeships each year. SADA has been working closely with a range of equipment and software manufacturers to deliver industry-certified training (e.g., SADA has recently been awarded Sponsored School status by AVID, manufacturers of ProTools music production software).
- 7.10 Arts development staff will continue to work with SIC Adult Education in supporting, enabling and delivering arts-related courses, such as evening classes and summer schools.

8. **Investing in the Cultural Economy**

- 8.1 SADA has a good track record in investment in the Cultural Economy, it being one of the main themes of the Shetland Cultural Strategy. Shetland Arts set up the Shetland Creative Industries Unit in November 2006, a partnership which brings together in one place strategic bodies in Shetland focused on the development of the creative economy. A major piece of research commissioned by the unit (Mapping the Creative Industries in Shetland, EKOS 2007) has informed subsequent investment decisions including the creation of a Creative Industries Dept within UHI Shetland College, local investment in Mareel and in telecoms.
- 8.2 Shetland Arts continues to invest in artists and practitioners; examples include the space2face restorative justice project, Mirrie Dancers, Power of Place, ProTools training,

and many others. The Mirrie Dancers project provided employment for artists, an artist mentee, technical support and installation staff, as well as bringing money into a wide range of local businesses.

- 8.3 Mareel will be a hub for the creative industries in Shetland. It is envisaged that the new venue will provide multiple opportunities for formal and informal creative industry development.
- 8.4 Shetland Arts is setting up a subsidiary Community Interest Company to invest in, acquire and develop a broad base of intellectual property focus on by not exclusively digital content. This includes a number of initiatives around sourcing 'social finance' to invest in creative production.
- 8.5 Working with HI Arts, SADA also intends to develop the Shetland Endowment for the Arts Fund to encourage individual giving to promote arts development.

9. **Investing in Place**

SADA, and Shetland Arts Trust before it, has worked hard to promote Shetland as a creative place. It now has a unique brand which is recognised all over the world. Underpinning this has been the investment in arts in the community, ensuring that our plans reflect the Shetland community's aspirations and ambitions, and that Shetland's culture, performers, artists and makers are promoted as widely as possible. We intend to build on this by the development of three major projects over the coming years.

Mareel Mareel represents a major investment in place, being the UK's most northerly music, cinema, creative industries and education venue. As a project that has taken fifteen years to plan and to bring to fruition, SADA will be doing everything we can to make it a place of which the Shetland community can be proud, and which will attract artists from all over the world. At the heart of Mareel's success will be its sense of authenticity and place. Mareel will be a world stage digitally connected to venues internationally that will broadcast live and bring live broadcast back into Shetland.

Creative Spaces and Places SADA is the lead partner in the Shetland Creative Spaces and Places Consortia, the other partners being Shetland Amenity Trust, Belmont Trust (Unst), WASPS, and the Centre for Creative Industries in Yell. The Consortia's idea is to market, develop and rent a diverse range of financially sustainable spaces and places with tailored customer care that supports creative development and activity, internationally recognised by artists as *the* destination of choice for quality of space and experience. Our ambition is to bring together the physical, natural and creative assets Shetland enjoys; tailor packages for residencies, short visits and retreats for creative people both as individuals and as collaborators; and provide spaces and places for artists living in, working in and visiting Shetland to connect, share, learn and inspire. The project is focused on building financial and environmental sustainability through closer partnership working and investment in green transport and micro generation. The latter will be achieved via the provision of a small pool of electric cars and charging points at a range of locations. The scheme will also include installation of a micro generation scheme involving wind power and hydro at the Weisdale Mill. Funding for a feasibility study has been applied for.

West Mainland development Shetland Arts is creating and developing a creative hub on recently acquired land at The Hatchery, Weisdale which should be functionally and environmentally sustainable within five years. Funding will be sought from outside Shetland. This will be a vibrant and exciting project with a newly built, environmentally sustainable gallery, cafe, retail space and education/community workshop area. The venue

will have full disabled access not possible in the current gallery within the listed building of Weisdale Mill. Artists' studios for those practicing in all disciplines, and workshops for those involved in the creative industries will help to nurture emergent talent and provide inspirational space for more established practitioners while incubator units will encourage local graduates to bring their skills home and develop work opportunities. Short term rentals on workshops plus rentable artist accommodation will allow a 'trial run' to those considering and artistic life in the islands before making a final move. Studios and living spaces will be environmentally sustainable – think grass roofs, sheep's wool insulation, etc. A vibrant hub will encourage interaction between artists and other creatives. Those with workshops and studios on site will meet and mix with artists from other parts of the islands who may find this venue both useful and inspirational.

10. **Strengths, Weaknesses, Opportunities, Threats**

Strengths

Shetland as a brand

SADA reputation

Recent significant investment into creative infrastructure

Weaknesses

Workforce 'spread thin' during first years of Mareel operation

Location - travel costs, already high, will increase significantly when the assisted air fare discount scheme is discontinued for businesses and organisations.

Poor public transport system works against inclusion.

Opportunities

Exploitation of IP assets

TV and Film location activity coupled with development of local talent and skills

Diversification of income streams

Threats

Global financial crisis putting constraint on public funds and disposable income.

Reduction in core funding threatens viability of business and creative plans

Commercial organisations competing with Mareel for business

11. **2012 – 13 Budget Scenario**

- 11.1 Attached are the indicative budget figures showing the effect of a standstill in core funding: a 10% reduction in core funding; and % increase.
- 11.2 SADA's original business plan for 2008 – 13 made assumptions about increases in core funding related to inflation. By 2012 – 13 we had been anticipating core funding from the Shetland Charitable Trust of £892,000, and from Creative Scotland, £183,600. In reality, the SCT reduced its core funding by 10% this year, to £695,000, and Creative Scotland's core funding has remained at a standstill, at £156,803.
- 11.3 *Standstill* The brunt of the reductions mentioned above has been felt in terms of project seed funding. SADA has a good record of using modest amounts of money to bring in significant amounts of external funding, but we have had to increase our efforts to obtain 100% project costs wherever possible for 2011-12. If these applications are ultimately only partially successful, then it will have an impact on the kinds and amounts of projects we can

undertake. By 2012-13, taking inflation into account, we anticipate that we will have to restructure the staffing and lose one full time. Whilst we will still try and cover all art forms equitably, this will clearly have a knock-on effect on the amount of work we can do.

10% reduction Taking into account that the Shetland Charitable Trust may only offer a standstill level of core funding, and that inflation will mean that this is effectively a reduction, the only way we can see to balance the books is to lose another post or 0.5 FTE post. As an organization we are very lean on administrative support so it is hard to see a reduction there; a further reduction in arts development staffing numbers would be highly undesirable, but may be necessary. Again, this would obviously have an impact on the type and scope of the arts development work. Other posts, such as Graphic Design, could be looked at, but would have to be offset by the costs of buying in design.

Growth SADA has made a commitment to a reduction in dependence on core funding. To do that we would need some investment in the proposals we are making to generate and diversify income, at least in the early stages if these initiatives. The attached growth scenario has 'pump priming' funding put into the proposed West Side Cluster, the first year of a full time post specialising in digital content and media development (plus some project funding for film development), and an increase in funding for attracting touring theatre to Shetland. Taken all together this would represent an increase of 63% on the current level of core funding.

12. **Outline Creative and Artistic Plan 2012 - 2013**

Depending on the availability of adequate funding we intend:

To offer a programme of high quality exhibitions at Bonhoga, building on the experience of the Portage Curatorial Project, and further developing the Gallery Education Programme.

To mount an ambitious multi-media community production early in the financial year, hopefully in partnership with the National Theatre of Scotland, that looks at our relationship with cars and with speed.

To start implementing a structured development plan for dance, working in partnership with CityMoves, Aberdeen.

To build relationships with partner organisations in the Northern Periphery countries in film, visual art, craft and literature, exploring shared cultural and artistic influences and thus emphasising our position as the 'stepping stone' between Scandinavia and the UK mainland.

Further develop the proposed creative hub at The Hatchery on the West Side of Shetland.

Develop initiatives in digital futures including investment in film and tv through exploitation of IP and self generated content.

Ensure sustainability of the visual arts activities that we have established in the community, such as *space2face* and the visual art/literature project currently being developed in care homes for the elderly.

Further develop the links made through the Portage project with artists and research institutions, promoting the role of research, education and critical analysis in the production of high quality contemporary artwork.

To promote Mareel as a home for the creative industries in Shetland, and as a source of entertainment, education, inspiration and training for local people, and for visitors to the islands (both in person and through digital channels).

To host an international textiles festival.

To promote the best of Shetland contemporary craft and applied art nationally and internationally.

To develop film making at all levels, by providing inspiration (visiting film makers/resident film makers), skills workshops and screening opportunities and increasing Shetland's film presence at festivals and events on the UK mainland and abroad.

To undertake a range of development activities related to film, such as screenplay writing, film reviewing and acting for the screen; and to work in partnership with the SIC Education Department to further develop and utilise film as part of the Curriculum for Excellence.

To attract and encourage commercial film making in Shetland.

To deliver a range of music industry training courses, and music further education courses to NC/HNC level at Mareel.

To offer a range of creative apprenticeships, internships, student placements and volunteer opportunities.

To undertake a youth theatre exchange with the George Herriot School in Edinburgh.

To work in partnership with the Princes Trust in providing a programme of activities at Mareel for P5-7 and S1 and S2 school pupils as part of the Trust's *Start* initiative, aimed at creative lasting relationships between young people and arts venues. This will build on our experience of being a partner in the LoveMusic project last year.

Broadcasting, podcasting, community TV and radio. Mareel to become a live broadcast centre from day one through becoming the home to 60 Degrees North FM and through partnerships with major UK Production companies.

To explore the potential of a computer games incubator lab, encouraging games design, development and commercial exploitation - taking advantage of known Shetland talent and new fibre-optic links to the islands

To work with SIC Youth Services to deliver a series of youth music workshops and concerts, including supporting the Young Promoters Group.

To work on the *No Cry* project with a range of Nordic Periphery partners to encourage entrepreneurial practice and networking and training events in the creative industries.

As lead partner in the Shetland Creative Spaces and Places Consortia, to work towards providing a diverse range of financially and environmentally sustainable spaces and places that supports creative development and activity.

To continue implementing art form development plans drawn up as the result of SADA's 'How Are We Doing?' community survey carried out in November 2010.

To draw up 10 Year Development Plan for the Garrison Theatre, in consultation with

stakeholders.

To host a residency in Music Composition and Arrangement OR in electronic music.

To support artists and arts groups through a range of mentoring, advice and funding activities, including via the Shetland Arts Fund.

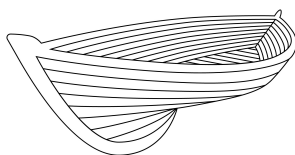
To provide consultancy and mentoring where appropriate and practicable for arts and other organisations outwith Shetland.

To further develop the key festivals already run by SADA, namely Screenplay, Wordplay, Fiddle Frenzy and the Peerie Willie Guitar Festival.

Gwilym Gibbons
Director
Shetland Arts

K. Hubbard
Arts Development Manager
Shetland Arts

31st January 2011



Shetland *arts*

To: Board of Trustees – Shetland Arts

12 February 2011

From: Director, Shetland Arts

BUDGET REVIEW 2011/12

1. Background

As previously reported to the Board financial projections for Shetland Arts in coming years are particularly challenging due to the knock on impact of significant reductions in core funding both in terms of the 10% (£75,000) 2010/11 reduction from Shetland Charitable Trust and the absence of an allowance for inflation in both our Creative Scotland Foundation Funding and Shetland Charitable Trust funding since 2007/08.

Shetland Arts has been working hard to diversify income streams and reduce overheads and core costs wherever possible since 2007/08.

The forward projection of income over expenditure does however continue to present a challenging picture and like other bodies that rely a range of trust and public funds there is a need for Shetland Arts to adopt some significant cost cutting measures while trying to maintain and grow income generation to reduce impact of predicted further reductions in 2012/13 public funds.

The above picture is also against a picture of significant inflation in energy costs. Shetland Arts has adopted an approach that seeks to reduce energy use and source more sustainable methods of supply.

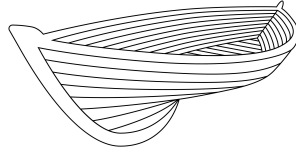
This report proposes a way forward to meet the challenge of balancing Shetland Arts budget and build a more resilient model of finance for the organisation in the years to come.

2. Process

- Detailed review of budgets and proposed operational structures to identify opportunity for cost cutting measures including staffing budgets. To be completed by the Senior Management Team by 25 February 2011
- Engagement of David Williams (independent consultant) funded by Highland Islands Enterprise to review findings from above completed by 11 March 2011
- Draft recommendation to the Board considered by a Trustee/ Officer working group WK beginning 14th March
- Recommendations to the Board and Approval of Annual Budget Wednesday 23rd March 2011

3. Recommendations

- 3.1 The Board approve the above process
- 3.2 The nominate three trustees to join the Officer/ Trustee Review Group WK beginning 14th March



Shetland *arts*

To: Board of Trustees – Shetland Arts

12 February 2011

From: Westside Cluster Project Manager, Shetland Arts

WESTSIDE CLUSTER UPDATE FEBRUARY 2011

1. SA now owns the Hatchery; handover date was 18 November 2010. We have a mortgage holiday until May 2011. Insurance has been taken out on the building.
2. The building suffered damage with the bad weather in December and Shetland Arts is negotiating with our insurers and builders about repairing damage which is fairly major.
3. A lease has been signed by Shetland Anglers Association. Shetland Arts has worked with SAA raising/lowering the water level so that the input of water used for raising the fish eggs – reason they are hiring space at the hatchery – is clear and clean.
4. Shetland Arts received the IT Power Report on the Micro Hydro Feasibility Study – posted on Basecamp.
5. Shetland Arts met Jennifer Nicholson from Community Energy Scotland and was made aware that grants for the micro hydro system were currently on hold but would probably be opened in spring 2011.
6. Shetland Arts met SEPA and have received a report from SEPA on Micro Hydro Plant.
7. After discussion with SIC Development and HIE on obtaining money for a Feasibility Study for the Westside Cluster HIE decided initially to give Shetland Arts a business advisor to create a document similar to a Feasibility Study. The money for the Feasibility Study may still be available but HIE and SIC Development wanted considerable cost details, etc before giving money for a Feasibility Study. A choice of three business advisors resulted in Steven Coutts from Weisdale being appointed. He has been working with met with Shetland Arts on a complex business plan
8. The site will be pegged out in the next few weeks, and then fenced.
9. An application to SIC for planning consent to erect an ‘Overflow Car Park’ sign at the Hatchery was successful.
10. Mike Finnie has created a plan and sketches to show what the Westside Cluster could look like – this is not ‘real’ but shows possible funders an

impression of what a cluster could look like. These along with a 'Vision for the Westside Cluster' – now named The Hatchery - can be viewed on our website.

11. Shetland Arts have met with Colin Dickie the Powerdown Officer for Northmavine. Mary and Colin plan to jointly meet SEPA, SNH and RSPB re micro hydro systems.
12. Shetland Arts visited Northmavine and viewed polytunnels developed – made from old salmon cages – which are designed to stand up to Shetland weather. Last Friday, in a force nine, the tunnel was not moving, very warm inside and there were vegetables growing.
13. Sarah Langden has offered to come to Shetland to discuss anaerobic digesters but decided to delay this until the project is further developed.
14. Shetland Arts is considering future locations for staff including the Hatchery, additional tenants for the Hatchery are also being sought.

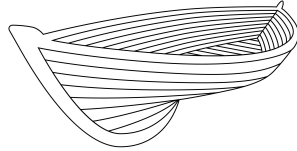
CREATIVE SPACES AND PLACE

1. A Branding Brief has been written for the Westside Cluster and put out to tender. Three suitable responses are now being sent out to the consortium members and then an application will be made to SIC Development to take branding and marketing further
2. Shetland Arts is awaiting finalisation of legal documents re The Booth
3. Mary Smith will be south at the end of February and intends to meet with David Cook of Wasps and David Cook intends to be in Shetland in mid March to explore a potential partnership with the Shetland Arts.

RECOMMENDATION

1. The Board are asked to note the above report.

Mary Smith
Westside Cluster Project Manager



Shetland *arts*

To: Board of Trustees – Shetland Arts

12 February 2011

From: Music Development Officer, Shetland Arts

UHI SHETLAND MUSIC COURSES

1. The NC Music course is designed to give students a solid foundation for a career or further study in music. A full range of performance, theory, business and technological subjects are included.
2. The course is an ideal progression pathway for students who have studied music at school, students on Shetland College's existing Vocational Pathways Sound Engineering course and musicians who wish to develop their careers. Matriculation routes include further study at HNC or degree level (such as Shetland College's planned HNC music course, HNC or Degree study within the UHI network and a number of wider creative industry courses). Modules focus on the practical, business and performance aspects of the music industry to build upon students' existing musical knowledge.
3. The modules are non-genre specific but will be the unique in containing elements of traditional Shetland music.
4. The course will be delivered primarily in Mareel and make use of the venue's state of the art facilities to ensure a world class situational learning experience through which students will gain real world practical skills and experience. Students will be given additional free use of Mareel's facilities to undertake project work. Industry standard professional software and equipment will be used throughout, and students will have the opportunity to gain additional industry recognised qualifications such as 'Pro Tools 101' (note: the Shetland College and Shetland Arts/Mareel partnership will be the only 'campus' within the UHI network to have instructors qualified to offer certified Pro Tools training). Shetland Arts are currently in negotiations with Roland UK, one of the world's largest music equipment manufactures, for Mareel to become a 'Roland Academy' to further enhance the course and provide students with additional professional development opportunities.
5. Course delivery will be aided through the use of SVLE (Shetland Virtual Learning Environment - <http://www.svle.org>), an online multi-media learning, teaching and communication platform.
6. Each of the modules which will comprise the course are detailed below under the broad headings of Musicianship, Business and Technology (additional modules such as 'Core Skills' and 'PDP' will be delivered at the Gremista campus)

Course Content

Musicianship

Performing Music on One Instrument or Voice (SCQF levels 5 & 6)

- Development of skills in solo instrumental or vocal performance
- Rehearsal of a varied programme of music
- Development of knowledge of chosen instrument/voice and its repertoire
- Presentation of a musical performance.

These two modules (semester one and two) will be delivered primarily in Mareel's rehearsal rooms and main performance auditorium. Assessment will be through performances, evidence of rehearsals and written reports.

Live Performance (SCQF levels 5 & 6)

- Development of skills in preparing for and performing live music in a group or solo context
- Selection and rehearsal of a programme of music, group formation and live event preparation
- Live performances (solo and group)
- Reflective reports and improvement strategies

These two modules (semester one and two) will be delivered primarily in Mareel's rehearsal rooms and main performance auditorium. Assessment will be through performances, evidence of rehearsals and reflective reports.

Music Literacy (SCQF 5)

- Music reading; lead sheets, music notation and symbology
- Scale construction, basic chord function, key signatures and time signatures

This module will be delivered in Mareel's multi media suite and assessed by means of aural and written exams.

Appreciation of Music (SCQF 6)

- Exploration of a wide range of music genres
- Identify and describe the distinguishing features of a range of music genres and examine a particular genre in detail
- Research the contribution a selected group or individual has made to the genre

This module will be delivered in Mareel's multi media suite and lecture theatre and assessed by means of a presentation and a written report with musical examples.

Aural Skills (SCQF 5)

- Development of aural discrimination skills through listening to music; identify a variety of musical features within music heard
- Identifying intervals, scales, triads, chords and time signatures

This module will be delivered in Mareel's multi media suite and lecture theatre and assessed by means of a aural and written exams.

Business

Introduction to the UK Music Industry (SCQF 6)

- Structure of the UK music industry, the function of the key organisations within it and the relationship between them
- Employment opportunities available within the UK music industry
- Impact of legislation on the UK music industry

The module will be delivered primarily in Mareel's lecture theatre and assessed through written examinations.

Promotion in the Music Industry (SCQF 6)

- Function of promotion, the roles played by various individuals and organisations and the different methods used to enhance the exposure of a music product
- Development of practical skills through the production of promotional materials for a music product or event.

The module will be delivered in Mareel's lecture theatre and multi media suite and assessed by means of written exam, presentation and production of promotional materials for the student's own event or music product.

Creative Project (SCQF 6)

- Plan, implement and evaluate a creative project
- Development of key skills such as planning, communication, problem solving and time management

This module is designed to promote synthesis of knowledge and skills learned throughout the course in order to produce a 'music product' (such as a CD, event, music video etc). Students will be given full access to Mareel's facilities in order to produce their product and assessment will be through the production of a project plan, evidence of its implementation and the actual product.

Technology

Sound Engineering and Production (SCQF 6)

- Development of practical and creative sound engineering and production skills
- Use multi-track recording equipment and software to record and mix audio
- Production of CD release quality finished mixes

This module will be delivered in Mareel's recording studio, multi media suite, rehearsal rooms and main auditorium. Assessment will be through submission of a work log and final mixed audio recording.

Midi Sequencing (SCQF 6)

- Create, edit and mix tracks using a MIDI (Musical Instrument Digital Interface) sequencer
- Learn theory, functions and capabilities of MIDI

The module will be delivered in Mareel's recording studio and multi-media suite and will be assessed through submission of a work log and finished audio recording/MIDI file.

Technical Support (SCQF 6)

- Development of practical skills necessary to provide technical support to musicians or sound engineers, either in a performance environment or in a recording studio.

- Development of skills including assembling, tuning and maintaining a drum kit and guitar, soldering and testing leads and PAT (Portable Appliance Testing) of electrical equipment.

This module will be delivered in a range of Mareel's facilities, including the technicians' workshop and main auditorium. Assessment will be through practical demonstration.

Recommendations

The Board are asked to note the above report.

Appendix: Extract from UHI Prospectus 2011/12

NC MUSIC

COURSE INFORMATION:

Place of Study: Mareel & Shetland College UHI, Lerwick

Mode of Study: Full-time

Length of course: 1 year

Start Date: August 2011

Entry Requirements: 4 Standard Grades (at General Level or above). Applicants must show evidence of instrumental or vocal musical ability. Applications will also be welcomed from holders of other awards and qualifications deemed comparable to those above, or from students who have completed an appropriate Access programme. Applications from students without qualifications but who demonstrate ability, interest, and commitment are also welcomed.

COURSE SUMMARY:

The modules in this course are designed to develop knowledge and understanding of: the common working practices within the Music Industry in the UK, the basic theoretical aspects of music and their aural application and to enhance appreciation and enjoyment through listening to a range of music genres. Students will develop knowledge and skills by working through the logical stages of a creative project according to a set brief. There will be the opportunity to create, edit and mix a MIDI sequence in accordance with a given brief, develop performance skills with an instrument or voice and work on live performance, including elements of planning, setup and stagecraft. Students will also produce an original work, which demonstrates development in the creative use of compositional techniques and explore the compositional style of a composer of note. The course is underpinned with teaching of core skills units for transferable skills in future employment.

COURSE CONTENT:

This course consists of a series of Scottish Qualifications Authority (SQA) units including: An Introduction to the UK Music Industry, Promotion in the UK Music Industry, Sound Engineering and Production, MIDI Sequencing, Performing Music on One Instrument or Voice, Live Performance, Aural Skills, Appreciation of Music.

Core Skills modules (which aid employability and academic progression): Communications/English Literature, Numeracy Intermediate 1&2 and IT.



HOW WILL I STUDY?

Classes will be taught using a combination of practical real world exercises, online resources and classroom/studio-based tutorials.

PROGRESSION:

Academic: Successful completion of the NC programme provides progression to HNC and HND music and related subject programmes at HE institutions throughout the UK. As a partner of the UHI, Shetland College UHI hopes to develop and deliver HN Music programmes in future.

Employment/Career: The NC programme prepares you for a range of careers in the music industry or a related area.

Former students have: This course is new to Shetland College UHI.

STAFF QUOTE:

"A broad base of technical and musical skills together with industry knowledge is a valuable asset in the modern music business. NC Music will provide a springboard for a career or further study in one of the most dynamic and fast paced creative industry sectors."
Bryan Peterson, Shetland Arts.

CONTACT: Angela Hunt

T: 01595 771000 E: angela.hunt@shetland.uhi.ac.uk

SECTION INFO:

The Creative Industries Section offers modern facilities and courses from Access to Degree level, enabling students to develop their creative and academic potential and to fulfil diverse career aspirations, such as employment in the arts sector, artist practitioner or becoming a creative entrepreneur. Many former students have established their own art practices internationally and in Shetland. At National Certificate level, students can take additional core skills units in IT, literacy and numeracy to aid transition to further studies or into the workplace.

For the first time in Shetland new courses in music are being developed in partnership with Shetland Arts, with NC Music starting in September 2011. The course will be delivered in Mareel, Shetland's new Creative Industries Centre and will embody our ethos to train students using practical skills, in tandem with IT and knowledge of the contemporary creative industries. Mareel will provide students with access to world-class industry standard facilities within a working music and multimedia performance and production venue.

The NC Art and Design Craft and BA Contemporary Textiles courses include Computer Aided Design taught alongside traditional skills of observational drawing, colour mixing, painting and textile techniques. An Apple Mac suite was recently installed to enable design development utilising professional software applications.

Our art, design and textiles studios are equipped to allow exploration of a wide range of processes and techniques, with a selection of knitting machines, weave and print facilities, all supported by our trained technicians. Each student is also given their own creative deskpace.

Highly qualified staff with practical experience of developing their own creative portfolios deliver the art and textile courses. Teaching is supplemented by visits from design and creative professionals who deliver talks on contemporary art, curatorship and business practice. We keep up to date in the industry by encouraging live projects and participation in professional exhibitions and gallery projects.

Project support and further encouragement is available through sponsorship, awards from industry and a bursary scheme awarded on merit and potential. Community projects are also encouraged with student involvement in charity fashion shows and public events.

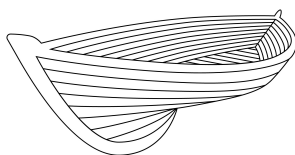
GOOD REASONS TO STUDY IN THE CREATIVE INDUSTRIES SECTION:

- Modern, well-equipped studios and specialist workshops
- Individual tuition within small groups
- Tuition by practising artists, designers and musicians
- Excellent library facilities with up to date art and textile theory stock
- Live briefs to work with industry and design professionals
- Opportunity to develop numeracy, IT and literacy skills
- Use of industry standard creative software
- Be part of a creative island community

FACILITIES AT A GLANCE:

- Textile Facilitation Unit
- Apple Mac Design Suite
- Video conferencing Suites
- Knit, Weave, Print and Ceramics facilities
- Individual studio space
- Well-stocked library
- Recording studio, multimedia production facilities and performance auditorium within Mareel

Something you don't understand? Try the Course Levels table on page 73 or Glossary on page 75



Shetland *arts*

To: Board of Trustees – Shetland Arts

12 February 2011

From: Director, Shetland Arts

1. Board Meeting Dates 2011/12

When	Time	Where
Wednesday 23 rd March	6:00 PM	Bonhoga Gallery
Saturday 7 th May	10:00 AM	Toll Clock Offices
Thursday 16 th June	6:00 PM	Bonhoga Gallery
Thursday 18 th August (Pre Board Site Visit 5pm)	6:00 PM	Museum and Archives
Saturday 24 th September	10:00 AM	Mareel
Wednesday 9 th November	6:00 PM	Mareel
Saturday 17 th December	10:00 AM	Mareel
Thursday 26 th January	6:00 PM	Bonhoga
Saturday 10 th March	10:00AM	Mareel

2. Finance Sub-Group Meeting Dates 2011

When	Time	Where
Thursday 24 th February	4:00 PM	Toll Clock Offices
Friday 18 th March	4:00 PM	Toll Clock Offices
Friday 22 nd April	4:00 PM	Toll Clock Offices
Friday 27 th April	4:00 PM	Toll Clock Offices
Thursday 24 th June	4:00 PM	Toll Clock Offices
Friday 29 th July	4:00 PM	Toll Clock Offices
Friday 26 th August	4:00 PM	Toll Clock Offices
Friday 23 rd September	4:00 PM	Toll Clock Offices
Friday 28 th October	4:00 PM	Toll Clock Offices
Friday 25 th November	4:00 PM	Toll Clock Offices
Friday 16 th December	4:00 PM	Toll Clock Offices

3. Board Training and Development

Board Away Day Proposed date: Saturday 2 April – 10AM to 4PM Venue TBC

4. Recommendations

4.1 The Board are asked to approve the above schedule of meetings and venues

4.2 The appoint three Trustees to join the Finance Sub-Group