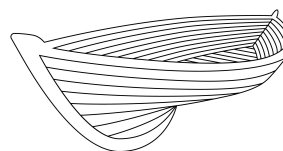


Shetland Arts Development Agency
Board of Trustees Meeting
Thursday 18th March 2010 at 6.00pm
Venue: The Mill Cafe, Bonhoga, Weisdale Mill



Shetland *arts*

AGENDA

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 – Saturday 20 February (postponed meeting of the 03/02/10)	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	Intellectual Property (IP) recognition, attribution, exploitation and security	Presentation	Arts Development Officer – Music and Director	Discussion
3c	Directors travel update	Attached	Director	Note/ discussion
3d	Revised 2010/11 budget, governance review and business Plan Development	Verbal update + Lawyers advice to be tabled at meeting	Director	Note
	Large Scale Project Updates			
4	Mareel Project			
4.1	Construction update	Papers attached of meeting 12/3/10	Director	Note
4.2	Operational update	Papers attached of meeting 12/2/10	Director	Note
4.3	Hansel of Light: The Voyage	Verbal update	Director	Note
4.4	Creative Spaces and Places Project	Attached + presentation	Director	Discussion
4.5	Mirrie Dancers Project	Verbal update	Director	Note
4.6	Creative Finance/ Creative Credit Union	Attached feasibility study brief	Director	Note
5	Dates of future meetings			
5a	SADA Board Meeting: Tuesday 4 th May SADA Finance Sub-Group Meeting: Friday 23 rd April 4.00pm Toll Clock Office		Chair	Confirm dates and venues for future meetings

CLOSED ITEMS

	Closed items from previous minutes matters arising	None	Chair	
A	Mareel cost report	Attached	Director	Note
B	Westside Cluster Development	Attached	Director	Decision

SHETLAND ARTS MANAGEMENT ACCOUNTS 2009/10

Income

	Approved Board	Quarter 1 Apr - Jun	Quarter 2 July - Sept	Quarter 3 Oct - Dec	Quarter 4 Jan - Mar			March Projected	Year End Projected
	2009 - 2010 Budget for the Year	Actual April/May/June	Actual July/Aug/Sept	Actual Oct/Nov/Dec	Actual Jan/Feb/Mar	Remainder between actual income and yr budget	Total Income to Date		
Box Office/Programme income	£ 131,800	21,392.17	44,070.89	11,924.32	14,815.66	£ 39,597	92,203.04	4,800.00	97,003
Ancillary Earned Income	£ 162,500	38,057.93	56,349.89	32,634.45	12,762.09	£ 22,696	139,804.36	3,800.00	143,604
Other Earned Income	£ 18,500	7,998.23	2,134.13	32,243.32	5,668.50	£ 23,876	48,044.18	22,152.59	70,197
Business Sponsorship	£ 11,825	500.00	0.00	0.00	0.00	£ 11,325	500.00	1,000.00	1,500
Trusts, Donations	£ 55,900	630.46	11,681.74	0.00	0.00	£ 43,588	12,312.20	400.00	12,712
Revenue Scottish Arts Council	£ 156,803	39,201	39,201	52,268	13,067	£ 13,066	143,737.00	13,067.00	156,804
Project Funding SAC (Voted and Lottery)	£ 70,400	106,553.52	13,443.79	93,784.29	20,565.00	£ 163,947	234,346.60	-7,500.00	226,847
Local Authority - Project Funding	£ 16,600	10,000.00	2,000.00	4,501.30	0.00	£ 99	16,501.30	0.00	16,501
Other Public Funds	£ 866,736	471,877	55,683	403,668	4,875	£ 69,367	936,102.65	73,105.00	1,009,207.65
Total Income	£ 1,491,064	£ 696,210	£ 224,564	£ 631,024	£ 71,753	£ 132,487	1,623,551.33	110,824.59	1,734,376

Expenditure

	Approved Board	Quarter 1 Apr - Jun	Quarter 2 July - Sept	Quarter 3 Oct - Dec	Quarter 4 Jan - Mar			March Projected	Year End Projected
	2009 - 2010 Budget for the Year	Actual April, May, June	Actual July, Aug, Sept	Actual Oct, Nov, Dec	Actual Jan/Feb/Mar	remainder of actual spend against budget estimates	Total Expenditure to Date		
All Staff Costs	781,465	202,655.58	199,093.30	190,855.63	62,082.67	£ 379,716	654,687.18	125,953.74	780,641
Programme	157,110	61,932.86	41,812.39	22,901.66	10,041.47	£ 53,365	136,688.38	5,000.00	141,688
Marketing	15,120	6,634.25	12,297.57	5,070.01	763.49	£ 3,812	24,765.32	200.00	24,965
General Marketing and Box Office	25,000	3,823.64	8,410.84	1,243.15	1,526.87	£ 12,766	15,004.50	4,000.00	19,005
Education	223,558	21,292.10	159,253.38	22,327.26	13,066.33	£ 43,013	215,939.07	36,514.48	252,454
Overheads	249,283	81,583.22	127,940.52	92,594.63	18,890.23	£ 39,759	321,008.60	38,500.00	359,509
Other Expenses	39,528	0.00	0.00	0.00	0.00	£ 0	0.00	0.00	0
Total Expenditure	1,491,064	377,922	548,808	334,992	106,371	£ 229,342	1,368,093	210,168	1,578,261

INCOME	1,491,064	699,210	224,564	630,630	14,155	-132,487	1,623,551	110,825	1,734,376
EXPENDITURE	1,491,064	377,922	548,808	334,992	106,371	229,342	1,368,093	210,168	1,578,261

Projected Net Surplus/Deficit 156,115

Less Restricted Funds 98,073

Contribution to reserves/surplus 58,041

Income

	Approved Board	Quarter 1 Apr - Jun	Quarter 2 July - Sept	Quarter 3 Oct - Dec	Quarter 4 Jan - Mar			Mar projected	Year end projection
	2009 - 2010 Budget for the Year	Actual April/May/June	Actual July/Aug/Sept	Actual Oct/Nov/Dec	Actual Jan/Feb	Remainder between actual income and yr budget	Total Income to Date		
Drama	£ 4,500	1,177.39	4,952.90	0.00	0.00	£ 1,630	6,130.29	0.00	6,130
Film Exhibition	£ 76,000	16,508.70	20,532.17	5,585.06	10,682.90	£ 33,374	53,308.83	4,500.00	57,809
Music	£ 35,000	1,753.91	15,162.91	5,595.65	4,132.76	£ 12,488	26,645.23	0.00	26,645
Craft	£ 1,500	660.00	0.00	0.00	0.00	£ 840	660.00	0.00	660
Mareel Music Hall ticket sales	£ 0	0.00	0.00	297.96	0.00	£ 298	297.96	0.00	298
Literature	£ 1,000	0.00	2,178.09	0.00	0.00	£ 1,178	2,178.09	0.00	2,178
Garrison Programming	£ 3,500	415.65	69.00	0.00	0.00	£ 3,015	484.65	0.00	485
Film Development	£ 8,300	0.00	1,680.17	445.65	0.00	£ 6,174	2,125.82	100.00	2,226
Dance	£ 2,000	876.52	-504.35	0.00	0.00	£ 1,628	372.17	200.00	572
Box Office/Programme income	£ 131,800	21,392.17	44,070.89	11,924.32	14,815.66	£ 39,597	92,203.04	4,800.00	97,003
Bonhoga Exhibition Programme	£ 27,000	3,504.56	6,336.58	6,326.18	764.83	£ 10,833	£ 16,932	£ 200	17,132
Insurance Claims recovered	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Visual Arts	£ 500	0.00	0.00	0.00	0.00	£ 500	£ 0	£ 0	0
Music	£ 19,000	6,528.50	12,196.84	455.54	5,096.00	£ 181	£ 24,277	£ 0	24,277
Film Exhibition (Screen Adv/Confectionery)	£ 12,000	0.00	0.00	4,508.65	832.05	£ 7,491	£ 5,341	£ 200	5,541
Literature	£ 0	342.99	6.99	6.99	0.00	£ 357	£ 357	£ 0	357
Venues (Garrison Hires/Creative S/P)	£ 22,000	3,744.57	7,059.70	1,460.29	762.56	£ 9,735	£ 13,027	£ 1,000	14,027
Craft	£ 0	60.00	417.39	65.00	0.00	£ 542	£ 542	£ 0	542
Cinema confectionery sales	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Mareel Education screenings income	£ 0	0.00	317.61	0.00	0.00	£ 318	£ 318	£ 0	318
	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Mareel Cinema cafe bar sales	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Mareel Daytime catering income	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Bonhoga Café	£ 54,000	18,332.08	20,002.90	10,348.76	3,646.42	£ 5,316	£ 52,330	£ 1,600	53,930
Bonhoga Shop	£ 28,000	5,545.23	10,011.88	9,463.04	1,660.23	£ 2,980	£ 26,680	£ 800	27,480
Ancillary Earned Income	£ 162,500	38,057.93	56,349.89	32,634.45	12,762.09	£ 22,696	139,804.36	3,800	143,604
Drama	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Literature	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 297	297
Dance	£ 500	0.00	0.00	0.00	0.00	£ 500	£ 0	£ 0	0
Music	£ 10,000	920.00	846.00	410.00	15.00	£ 7,824	£ 2,191	£ 0	2,191
General Income	£ 8,000	7,078.23	1,288.13	6,070.61	1,225.19	£ 6,437	£ 15,662	£ 0	15,662
Event hires including Festivals		0.00	0.00	25,762.71	4,428.31	£ 25,763	£ 30,191	£ 0	30,191
Education & training fees (Shetland College)		0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Recording fees		0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Rehearsal fees / Room hire		0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Conferencing & Special events		0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Music tourism (net profit)		0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Mirrie Dancers Recharge						£ 0	£ 0	£ 21,856	21,856
Other Earned Income	£ 18,500	7,998.23	2,134.13	32,243.32	5,668.50	£ 23,876	48,044.18	22,153	70,197
Visual Arts	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Bonhoga Exhibition Programme	£ 550	0.00	0.00	0.00	0.00	£ 550	£ 0	£ 0	0
Drama	£ 500	0.00	0.00	0.00	0.00	£ 500	£ 0	£ 0	0
Music	£ 6,475	0.00	0.00	0.00	0.00	£ 6,475	£ 0	£ 1,000	1,000
Craft	£ 500	0.00	0.00	0.00	0.00	£ 500	£ 0	£ 0	0
Literature	£ 1,000	0.00	0.00	0.00	0.00	£ 1,000	£ 0	£ 0	0
Dance	£ 2,500	0.00	0.00	0.00	0.00	£ 2,500	£ 0	£ 0	0
Garrison Theatre Programming	£ 300	500.00	0.00	0.00	0.00	£ 200	£ 500	£ 0	500
Business Sponsorship	£ 11,825	500.00	0.00	0.00	0.00	£ 11,325	500.00	1,000	1,500
Visual Arts	£ 11,500	0.00	6,029.24	0.00	0.00	£ 5,471	£ 6,029	£ 0	6,029
Drama	£ 6,500	630.46	152.50	0.00	0.00	£ 5,717	£ 783	£ 0	783
Music	£ 2,300	0.00	0.00	0.00	0.00	£ 2,300	£ 0	£ 0	0
Craft	£ 100	0.00	0.00	0.00	0.00	£ 100	£ 0	£ 0	0
Literature	£ 6,500	0.00	3,000.00	0.00	0.00	£ 3,500	£ 3,000	£ 0	3,000
Garrison Programming	£ 2,500	0.00	15.00	0.00	0.00	£ 2,485	£ 15	£ 0	15
Film Development	£ 10,000	0.00	2,085.00	0.00	0.00	£ 7,915	£ 2,085	£ 400	2,485
Dance	£ 6,000	0.00	0.00	0.00	0.00	£ 6,000	£ 0	£ 0	0
Bonhoga Exhibition	£ 500	0.00	400.00	0.00	0.00	£ 100	£ 400	£ 0	400
Strategic Projects	£ 10,000	0.00	0.00	0.00	0.00	£ 10,000	£ 0	£ 0	0
Trusts, Donations	£ 55,900	630.46	11,681.74	0.00	0.00	£ 43,588	12,312.20	400	12,712
Strategic Fundraising Revenue	£ 156,803	39,201	39,201	52,268	13,067	£ 26,133	£ 143,737	£ 13,067	156,804
Revenue Scottish Arts Council	£ 156,803	39,201	39,201	52,268	13,067	£ 13,066	143,737.00	13,067	156,804
Visual Arts	£ 1,000	268.52	1,448.41	15,902.00	13,365.00	£ 16,619	£ 30,984	£ 7,500	23,484
Drama	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Film Exhibition	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Bonhoga Exhibition Programme	£ 1,000	0.00	0.00	0.00	7,200.00	£ 1,000	£ 7,200	£ 0	7,200
Music	£ 16,000	4,500.00	15,615.58	1,476.29	0.00	£ 5,592	£ 21,592	£ 0	21,592
Craft	£ 28,400	11,430.00	-3,620.20	500.00	0.00	£ 20,090	£ 8,310	£ 0	8,310
Literature	£ 9,000	7,855.00	0.00	706.00	0.00	£ 439	£ 8,561	£ 0	8,561
Garrison Programming	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Film Development	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Dance	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Garrison Programming	£ 3,000	0.00	0.00	0.00	0.00	£ 3,000	£ 0	£ 0	0
Dance	£ 2,000	0.00	0.00	0.00	0.00	£ 2,000	£ 0	£ 0	0
Strategic Projects	£ 5,000	0.00	0.00	9,200.00	0.00	£ 4,200	£ 9,200	£ 0	9,200
Mareel	£ 5,000	0.00	0.00	0.00	0.00	£ 5,000	£ 0	£ 0	0
Mirrie Dancers	£ 0	82,500.00	0.00	66,000.00	0.00	£ 148,500	£ 148,500	£ 0	148,500
Project Funding SAC (Voted and Lottery)	£ 70,400	106,553.52	13,443.79	93,784.29	20,565.00	£ 163,947	234,346.60	-7,500	226,847
Visual Arts	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Drama	£ 0	-2,000.00	2,000.00	0.00	0.00	£ 0	£ 0	£ 0	0
Music	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Craft	£ 0	0.00	0.00	4,000.00	0.00	£ 4,000	£ 4,000	£ 0	4,000
Literature	£ 0	0.00	0.00	501.30	0.00	£ 501	£ 501	£ 0	501
Music	£ 600	0.00	0.00	0.00	0.00	£ 600	£ 0	£ 0	0
Dance	£ 16,000	12,000.00	0.00	0.00	0.00	£ 4,000	£ 12,000	£ 0	12,000
Local Authority - Project Funding	£ 16,600	10,000.00	2,000.00	4,501.30	0.00	£ 99	16,501.30	0.00	16,501
Strategic Fundraising-Revenue SCT	£ 785,736	386,688.00	0.00	386,688.00	0.00	£ 12,360	£ 773,376	£ 0	773,376
SCT Pnd Maint - Garrison Lights	£ 0	10,155.00	0.00	14,980.00	0.00	£ 25,135	£ 25,135	£ 36,230	61,365
Interest/Strategic Fundraising	£ 43,000	3,650.00	0.00	0.00	500.00	£ 39,350	£ 4,150	£ 0	4,150
HIE Shetland (Craft/Film)	£ 0	0.00	0.00	0.00	0.00	£ 0	£ 0	£ 0	0
Visual Arts - Mirrie Dancers	£ 0	52,284.00	0.00	0.00	0.00	£ 52,284	£ 52,284	£ 15,000	67,284
Film Development	£ 10,000	3,600.00	0.00	1,000.00	0.00	£ 5,400	£ 4,600	£ 0	4,600
People Development	£ 3,000	0.00	0.00	0.00	1,875.00	£ 3,000	£ 1,875	£ 1,875	3,750
Strategic Projects	£ 10,000	0.00	0.00	0.00	0.00	£ 10,000	£ 0	£ 20,000	20,000
Visual Arts	£ 15,000	15,500.00	55,682.65	1,000.00	2,500.00	£ 57,183	£ 74,683	£ 0	74,683
Other Public Funds	£ 866,736	471,877	55,683	403,668	4,875	£ 69,367	936,102.65	73,105	1,009,208
Total Income	£ 1,491,064	£ 696,210	£ 224,564	£ 631,024	£ 71,753	£ 132,487	1,623,551	110,825	1,734,376

Expenditure

	Approved Board 2009 - 2010 Budget for the Year	Quarter 1 Apr - Jun		Quarter 2 July - Sept		Quarter 3 Oct - Dec		Quarter 4 Jan - Mar		Mar projected	Year end projection			
		Actual May, June		Actual July, Aug, Sept		Actual Nov, Dec		Actual Jan/Feb						
		Actual May, June	April, May, June	Actual July, Aug, Sept	July, Aug, Sept	Actual Nov, Dec	Oct, Nov, Dec	Actual Jan/Feb	Feb, Mar, Apr			remainder of actual spend against budget estimates	Total Expenditure to Date	
Management and Admin	182,313	44,943.56		46,162.66		43,870.35		15,284.68		100%	150,261.25	30,569.36	180,831	
Arts Development	304,730	70,820.05		80,536.08		75,959.11		24,958.42		99%	252,273.66	49,916.84	302,191	
Projects, Production and Events	235,281	63,315.46		62,062.33		64,765.40		17,831.49		107%	207,974.68	35,662.98	243,638	
General staff expenses	32,241	19,275.24		5,585.02		3,725.55		3,184.28		120%	31,770.09	6,368.56	38,139	
Training	14,700	2,986.78		6,060.31		880.23		718.00		123%	10,645.32	1,436.00	12,081	
Professional Membership	2,200	0.00		0.00		950.00		0.00		0%	950.00	0.00	950	
Volunteer Expenses	5,000	0.00		0.00		499.39		40.00		0%	539.39	1,000.00	1,539	
Recruitment and relocation	5,000	1,314.49		-1,313.10		205.60		65.80		0%	272.79	1,000.00	1,273	
All Staff Costs	781,465	202,655.58		199,093.30		190,855.63		62,082.67		£ 379,716	654,687.18	125,953.74	780,641	
Visual Arts	0	38,925.80		3,318.44		461.84		1,743.50		£ 42,244	44,449.58	0.00	44,450	
Exhibition Bonhoga	26,810	4,465.39		2,852.54		5,854.10		2,167.00		£ 19,492	15,339.03	2,000.00	17,339	
Drama	0	0.00		369.70		0.00		0.00		£ 370	369.70	0.00	370	
Film Exhibition	58,000	11,556.08		14,485.92		8,772.82		3,875.46		£ 31,958	38,690.28	3,000.00	41,690	
Music	23,000	3,879.13		6,789.95		2,162.46		657.30		£ 12,331	13,488.84	0.00	13,489	
Craft	10,000	0.00		800.00		0.00		24.00		£ 9,200	824.00	0.00	824	
Literature	0	0.00		3,421.54		0.00		0.00		£ 3,422	3,421.54	0.00	3,422	
Dance	0	0.00		2,170.80		0.00		0.00		£ 2,171	2,170.80	0.00	2,171	
Garrison Programming	18,000	3,003.46		5,777.97		3,045.78		1,505.21		£ 9,219	13,332.42	0.00	13,332	
Film Development	21,300	103.00		1,825.53		2,604.66		69.00		£ 19,371	4,602.19	0.00	4,602	
Film transport (2.5% of box office)	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Projection costs inc. maintenance	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Education screening costs (50% of income)	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Mareel Performer fees - Music Hall	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Programme	157,110	61,932.86		41,812.39		22,901.66		10,041.47		£ 53,365	136,688.38	5,000.00	141,688	
Visual Arts	0	876.73		2,349.75		898.22		205.60		£ 3,226	4,330.30	0.00	4,330	
Exhibition Bonhoga	3,920	493.66		146.80		265.39		68.32		£ 3,280	974.17	0.00	974	
Drama	0	288.49		263.08		82.50		0.00		£ 552	634.07	0.00	634	
Film Exhibition	4,000	1,441.81		722.54		840.77		225.25		£ 1,836	3,230.37	200.00	3,430	
Music	1,200	1,124.49		1,525.80		485.47		104.16		£ 1,450	3,239.92	0.00	3,240	
Craft	0	123.83		-37.35		0.00		0.00		£ 86	86.48	0.00	86	
Literature	0	0.00		3,241.81		0.00		0.00		£ 3,242	3,241.81	0.00	3,242	
Garrison Programming	0	1,182.98		224.32		0.00		141.66		£ 1,407	1,548.96	0.00	1,549	
Film Development	1,000	640.60		3,260.49		2,227.42		0.00		£ 2,901	6,128.51	0.00	6,129	
Dance	0	461.66		166.83		270.24		18.50		£ 628	917.23	0.00	917	
Mareel Film Marketing	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Mareel Music Venue Marketing	5,000	0.00		433.50		0.00		0.00		£ 4,567	433.50	0.00	434	
Marketing	15,120	6,634.25		12,297.57		5,070.01		763.49		£ 3,812	24,765.32	200.00	24,965	
General Marketing and Box Office	25,000	3,823.64		8,410.84		1,243.15		1,526.87		£ 12,766	15,004.50	4,000.00	19,005	
Visual Arts	38,000	0.00		119,649.48		6,122.30		4,485.53		£ 81,649	130,257.31	19,914.00	150,171	
Drama	21,775	3,160.27		2,226.02		1,033.70		0.00		£ 16,389	6,419.99	38.00	6,458	
Music	65,200	4,613.98		16,403.75		577.15		1,600.00		£ 44,182	23,194.88	0.00	23,195	
Craft	29,333	1,254.17		5,067.43		2,720.00		5,111.00		£ 23,011	14,152.60	8,649.00	22,802	
Literature	27,750	3,935.50		7,688.30		5,164.20		759.70		£ 16,126	17,547.70	2,015.00	19,563	
Garrison Programming	2,000	1,140.95		0.00		0.00		0.00		£ 859	1,140.95	0.00	1,141	
Film Development	4,000	0.00		7,488.90		703.33		0.00		£ 3,489	8,192.23	0.00	8,192	
Dance	35,500	7,187.23		729.50		6,006.58		1,110.10		£ 27,583	15,033.41	5,898.48	20,932	
Education	223,558	21,292.10		159,253.38		22,327.26		13,066.33		£ 43,013	215,939.07	36,514.48	252,454	
Visual Arts	0	1,102.00		9,658.03		1,558.79		0.00		£ 10,760	12,318.82	0.00	12,319	
Exhibition Bonhoga	0	847.57		485.26		110.00		0.00		£ 1,333	1,442.83	0.00	1,443	
Drama	0	3,339.20		405.09		390.29		0.00		£ 3,744	4,134.58	0.00	4,135	
Music	0	204.48		1,301.08		0.00		0.00		£ 1,506	1,505.56	0.00	1,506	
Craft	0	523.10		96.50		0.00		0.00		£ 620	619.60	0.00	620	
Film Exhibition	0	2,760.38		750.53		172.24		0.00		£ 3,511	3,683.15	0.00	3,683	
Garrison Programming	501	145.21		31.17		57.15		0.00		£ 325	233.53	0.00	234	
Film Development	0	0.00		2,881.24		0.00		0.00		£ 2,881	2,881.24	0.00	2,881	
Dance	0	890.00		160.00		119.63		0.00		£ 1,050	1,169.63	0.00	1,170	
Mareel miscellaneous costs & hires	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
	501	9,811.94		15,768.90		2,408.10		0.00		£ 25,080	27,988.94	0.00	27,989	
Garrison Theatre	33,300	8,519.38		15,427.79		19,218.86		2,731.31		£ 9,353	45,897.34	3,500.00	49,397	
Mareel Food and Drink	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Mareel Cinema confectionery	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Bonhoga Café & Shop	32,000	13,915.39		14,883.44		8,159.18		1,266.14		£ 3,201	38,224.15	2,000.00	40,224	
Toll Clock Offices	114,195	37,428.45		22,813.21		20,851.62		13,967.49		£ 53,953	95,060.77	25,000.00	120,061	
Weisdale Mill	20,287	5,339.39		6,059.59		3,892.92		925.29		£ 8,888	16,217.19	8,000.00	24,217	
Mareel	9,000	0.00		0.00		130.77		0.00		£ 9,000	130.77	0.00	131	
Creative Spaces and Places	15,000	0.00		1,199.49		1,214.71		0.00		£ 13,801	2,414.20	0.00	2,414	
Strategic development	25,000	6,568.67		51,788.10		36,718.47		0.00		£ 33,357	95,075.24	0.00	95,075	
Overheads	249,283	81,583.22		127,940.52		92,594.63		18,890.23		£ 39,759	321,008.60	38,500.00	359,509	
Visual Arts	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Exhibition Bonhoga	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Drama	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Film Exhibition	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Music	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Craft	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Literature	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Garrison Programming	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Film Development	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Dance	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Contribution to reserve	0	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Other Expenses	39,528	0.00		0.00		0.00		0.00		£ 0	0.00	0.00	0	
Total Expenditure	1,491,064	377,922		548,808		334,992		106,371		£ 229,342	1,368,093	210,168	1,578,261	
INCOME		1,491,064		699,210		224,564		630,630		14,155	-132,487	1,623,551	110,825	1,734,376
EXPENDITURE		1,491,064		377,922		548,808		334,992		106,371	229,342	1,368,093	210,168	1,578,261

Projected net Surplus/Deficit 156,115
 Projected restricted Funds 98,073
 Projected contribution to reserves/surplus 58,042



Shetland*arts*

Sub Finance Meeting 8th March 2010

Present:

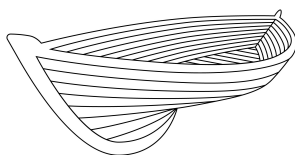
Gwilym Gibbons (Director)

Christine Simpson (Finance Officer)

Johan Adamson (Trustee)

		Action
1	<p>Notes of Meeting</p> <p>The actual income/spend to the end of February, and the estimates for March indicating the total spend for the year which was e-mailed earlier, was discussed in more detail. Listed below are the major variances:</p> <p>Box office final income is below budget: but is matched by the programming expenditure which shows a corresponding reduction in spend. Films at the Garrison: probable causes being lack of blockbusters this year, a malfunction in equipment last month coupled with the bad weather.</p> <p>Ancillary Earned Income: Bonhoga Exhibition down (depends on type of exhibition with saleable items). Garrison hires (again depends on number of outside hires during the year)</p> <p>The Lighthouse were invoiced for £7,500 but went into administration. Although this income remains in the accounts, I have removed it from the total as it is unlikely we will receive any of it.</p> <p><u>Total income approx £242,300 above budget.</u></p> <p>Expenditure: Salaries on track Programme costs down (as is income, see above) Marketing costs and Project Overheads: no budgets set for some development officers at beginning of year, but have correctly coded to above (reduces spend from programming).</p> <p>SADA Overheads: Garrison overspend but was underfunded initially by SCT.</p> <p><u>Total expenditure approx £87,000 over budget.</u></p> <p><u>Estimated surplus for year approx £155,300</u></p>	

	Restricted funds on grants to be carried forward reduces the surplus to approx £58,000 before last years unrestricted is added.	
2	<p>Weisdale Mill Income/Expenditure of Café and Shop</p> <p>Total (actual to end Feb) <u>Income</u></p> <p>Shop £26,680</p> <p>Gallery £10.965 (commission)</p> <p>Craft Cases £4,838</p> <p>Touring £540</p> <p>Art to Go £536</p> <p>Café £52,330</p> <p>Total (actual to end Feb) <u>Expenditure</u></p> <p>Shop £17,094</p> <p>Café Foods Stock £19,311</p>	
3	Date of next sub finance group meeting Friday 23 rd April 2010.	



Shetland *arts*

To: Board of Trustees – Shetland Arts

18 March 2010

From: Director, Shetland Arts

1. Trips undertaken off island by the Director since last Board Meeting (3rd Feb 2010)

When	Where	Why
11/02/10	Inverness	Highlands and Islands Senior Arts Officers network meeting. A meeting that is held roughly every six months.
25/02/10 – 27/02/10	Inverness	HISEZ Conference – speaking at conference regards cultural social enterprise.
02/03/10	Edinburgh	SAC Meeting with Iain Munro and Clare Simpson (SAC) and Paul Bush (EventScotland) to discuss findings of The Voyage feasibility study
03/03/10	London	Meeting with Clare Cooper (Mission Models Money) and attendance at 'Leadership in Uncertain Times' event. A select event attended by Secretary of State Ben Bradshaw MP and Shadow Secretaries of State Jeremy Hunt MP and Don Foster MP.
04/03/10	London	Follow up meeting with music, film and TV sector regards sector use of Mareel.

2. Director planned off island trips

When	Where	Why
31/03/10 – 07/03/10	Edinburgh	31/03 AM Social Enterprise Network Scotland (SENCOT) Meeting at SAC
		31/03 PM The Voyage draft feasibility report review at SAC
	Glasgow	01/04 – 06/04 Remote working based at WASPS – provisional meetings with Burness Lawyers, GHA and WASPS

	Edinburgh	02/04 Meetings with Scotland based music and broadcast industry 05/04 Remote working – based at the SAC. 06/04 The Voyage Meeting with strategic partners: EventScotland and SAC.
14/04/10 – 16/04/10	Glasgow	14/04 PM Cultural Social Enterprise Network Meeting 15/04 daytime 2012 Olympics UK Cultural Programmers Meeting 15/04 PM opening reception of the Glasgow International Festival
21/04/10 – 22/04/10	Edinburgh	Scottish Government Social Enterprise Policy development: Gathering of participants of SG international development programmes: USA, Berlin, Genoa and Australia
18/05/10 – 20/05/10	London	18/05 Travel and follow meetings with Make Happy 19/05 Broadcast and Beyond Conference 20/05 Follow up meetings with media orgs and travel
26/05/10- 28/05/10	Edinburgh London	26/05 Inaugural Cultural Social Enterprise Conference 27/05 Meetings with music industry representatives

3. Recommendations

The Board are asked to note the above report.

Gwilym Gibbons
Director: 18 March 2010

Shetland Arts Development Agency

Mareel Project Board (Construction)

Friday 12th March 2010 at 4:00 PM

Solarhus, North Ness



Ewen Balfour, Project Manager, H James Nisbet AssocRICS

Gwilym Gibbons, Director, Shetland Arts

Johan Adamson, Trustee, Shetland Arts

John Goodlad, Trustee, Shetland Arts

Robina Barton, Trustee, Shetland Arts

Stephen Johnston, Quantity Surveyor, David Adamson & Co

Hazel Sutherland, Executive Director, Shetland Islands Council

David Priest, Highlands and Islands Enterprise

Stuart Robertson, Highlands and Islands Enterprise

Neil Grant, Head of Economic Development Unit, Shetland Islands Council

Mike Finnie, Capital Programme Services Manager, Shetland Islands Council

Sandy Blair, Scottish Arts Council

Agenda

1. Apologies
2. Minutes of previous meeting – 5/2/10 (attached)
3. Build programme
4. Cost Report
5. Progress report (attached)
6. Health and safety
7. Risk & Issues Log
8. Any other business
9. Dates for 2010 (Fridays 4.00pm @ Solarhus):
 - 9th April
 - 7th May
 - 4th June
 - 9th July
 - 6th August
 - 10th September
 - 8th October
 - 5th November
 - 10th December

Minute of a Meeting of the Mareel Project Board (Construction) held at 4.00pm on Friday 5th February 2010 at the offices of Economic Development, North Ness Business Park, Lerwick

Present:

Gwilym Gibbons, Director, Shetland Arts (Chair)
 Stephen Johnston, Quantity Surveyor, David Adamson Partners
 David Priest, Highlands and Islands Enterprise
 Stuart Robertson, Highlands and Islands Enterprise
 Johan Adamson, Trustee, Shetland Arts
 Mike Finnie, Capital Programme Services Manager, Shetland Islands Council
 Ewen Balfour, Project Manager, H James Nisbet AssocRICS
 Robina Barton, Trustee, Shetland Arts
 Hazel Sutherland, Executive Director, Shetland Islands Council (4.17pm–5.07pm)

In Attendance:

Louise Morris, Administration & Capital Projects Support Officer, Shetland Arts
 Lynda Anderson, Office Administrator, Shetland Arts

Apologies:

Sandy Blair, Scottish Arts Council
 John Goodlad, Trustee, Shetland Arts
 Neil Grant, Head of Economic Development, Shetland Islands Council
 Kathy Hubbard, Arts Development Manager, Shetland Arts
 Neil McDougall, Financial Controller, Shetland Development Trust

Item	Topic	Action
1.0	Minutes of the last meeting – 11/12/09	
1.1	<p>Gwilym read an email received from Neil McDougall regarding the accuracy of Item 3.6 of the previous minute (regarding the SAC changes and the scissor lift).</p> <p>It was clarified that £30,000 is the cost for two scissor lifts. One was included from the beginning and the other is an SAC change. However, after checking with Ian Irvine it has been found that the lift specs are beyond what is required and cheaper quotes are being sought.</p> <p>It was agreed to change the minute to read:</p> <p><i>3.6 Anticipated CA instruction 7 - SAC changes: Stephen estimates a £35,927 increase due to SAC changes. This includes £30,000 for scissor lift. Gwilym queried why the scissor lift was included in the Scottish Arts Council changes as it was included from the beginning. Gwilym and Ewen will check this before it gets instructed and investigate cheaper options.</i></p>	

1.2	The minutes were approved as a correct record subject to the amendment of Item 3.6 above.	
1.3	Stephen will send on details of the additional block work reinforcement to Gwilym once he receives it from Gordon Pope.	SJJ
1.4	Gwilym will check email addresses in the Project Execution Plan and Ewen will circulate next week.	EB
2.0	Build Programme	
2.1	Ewen reported that there had been a site meeting on 19 th January followed by a Project Team meeting on 20 th January. The site was closed for the holidays from 23 rd December to 7 th January. Block work has been the main activity on the site, with work also progressing on the concrete columns and floor slabs.	
2.2	The audio visual and lighting package tenders were received in December and reviewed by the Design Team. All the tenders received are over-budget. Gwilym had a meeting with the preferred bidder (who had the lowest tender price), Alex Wardle (Arup), David Gordon (Harley Haddow) and Gordon Pope (David Adamson & Partners) on Tuesday of this week. They have managed to negotiate a price reduction although it is still over budget. Negotiations are continuing and Gwilym is hopeful that further reductions can be made.	
2.3	Tenders for rainscreen cladding have come in over-budget and will be picked up in the Cost Report. Rainscreen cladding is the panel finish on the external envelope of the building.	
2.4	DITT report that out of sequence work has continued to affect operations on site. DITT submitted an extension request of 10 weeks. Ian Irvine (Peter Johnson Partnership) has just issued a letter to DITT granting them a 6 week time extension: 2 weeks for Scottish Water delays and 4 weeks for Architects Instructions relating to ground condition.	
2.5	This gives a new completion date of 16 th February 2011 which still allows for opening in Spring 2011 as originally planned. DITT now have 14 days to submit an updated build programme to the Design Team for approval.	
3.0	Cost Report	
3.1	Stephen tabled Cost Report 8. Any changes from Cost Report 7 are highlighted in yellow.	

3.2	<p><i>CA Instruction 10: Add Quotation for lightning protection CDP element.</i></p> <p>Up slightly from £10,000 to £11,000.</p>	
3.3	<p><i>CA Instruction 12: Test and report on existing lighting circuit to sea wall lighting units</i></p> <p>Estimate of £200.</p>	
3.4	<p><i>CA Instruction 13: Add rainscreen cladding as DITT quote 25/1/10</i></p> <p>At tender stage the provisional sum for rainscreen cladding was £500,000. At value engineering stage this provisional sum was thought to be too high and was reduced to £240,000 after enquiries with several firms. However, now the cheapest tender price received is £297,409 which is an increase of £57,000.</p> <p>Because the cladding is crucial to the build programme this price has been accepted. However it was noted that this was the cheapest option from four prices.</p>	
3.5	<p><i>Remeasured Sections of Work 7: Introduce temporary formwork to Auditorium suspended slab in lieu of permanent formwork.</i></p> <p>It was clarified that formwork is timber or metal to keep concrete in place until it sets.</p> <p>Permanent formwork was always allowed for, but now a small area has to be temporary. The area of temporary formwork has reduce though and so this is why costs gone down.</p>	
3.6	<p><i>Anticipated CA Instructions 9: AV Package</i></p> <p>The provisional sum allocated for the AV package was 186,094.70. The cheapest tender to come back is £219,106.80. Negotiations are ongoing to reduce this price further. However, the worst case scenario is to be over-budget by £33,000.</p>	
3.7	<p>DITT have been granted a 6 week extension. Under the conditions of the contract DITT cannot claim financial compensation for the 2 week delay attributed to Scottish Water, as they are a statutory body.</p>	

	Stephen has attributed a £8000/week cost for the 4 weeks granted for ground conditions although this figure could be lower. It was noted that delays due to weather are not eligible for compensation.	
3.8	Gwilym reiterated that the documents being discussed are confidential as they are part of ongoing negotiations with the contractor.	
3.9	Contingency now stands at 83,779, down by £90,000 since the last meeting. Stephen tabled an updated Statement of Contingency. Expressed as a percentage of remaining work the contingency is at 1.176% There is a meeting with DITT next week to identify savings to get the contingency back up to 2% of remaining spend.	
4.0	Progress Report	
4.1	<i>Change Request 26 – Addition of backstage blue lighting.</i> Is included in the audio visual package.	
4.2	<i>Change Request 28 – Provision of teaching space on 2nd floor.</i> Discussions are ongoing with Gareth Hoskins Architects.	
4.3	<i>Change Request 30 – Proposal for cabling for electric car re-charging.</i> Ducts have been laid from the building to the car park.	
4.4	<i>Change Request 33 – Investigate change of data cable from Category 5e to fibre optic.</i> It is being investigated because there may not be a cost increase but it could future proof the building. Cat5e costs have not altered but fibre optic is becoming more often the norm.	
4.5	Ian Irvine has arranged a meeting with Planning to discuss consent requirements for the Artist lighting at Mareel.	
4.6	The Scottish Water connection quote is nearly complete. Power is being laid into the site. Discussions with Neville Martin from SHEAP re district heating are complete.	
5.0	Health and Safety	

5.1	There have been no reportable incidents. Site inductions are being carried out and the new Site Manager is reviewing the Health and Safety Plan which will be submitted to the CDM Co-ordinator for review.	
6.0	Risk Log	
6.1	The Project Team go through the Risk Log and propose changes or additions for the Project Board to ratify.	
6.2	<i>Risk 38 – SAC changes resulting in increased cost.</i> Should be resolved within the next two weeks.	
6.3	<i>Risk 41 – Changing goalposts on oil tank issue.</i> The latest update is that work on the petrol tank will be complete by Spring, not January. Once work is complete the HSE will check that the work is to the standard they require.	
6.4	Stephen identified two more possible risks: <ul style="list-style-type: none"> • Slippage in the DITT programme; • The rain screen cladding might not be delivered on time. 	
7.0	Issues Log	
7.1	<i>Issue 9 – Crane position on site.</i> The large crane is now not happening because it is too large to be fixed to the coastal walkway.	
7.2	<i>Issue 12 – Development on adjacent site likely at same time as Mareel.</i> Construction of the SIC office building at North Ness is due to start imminently.	
8.0	AOB	
8.1	Stuart noted that HIE have approximately £430,000 funding set aside for the current financial year. However, because of the delay in finalising the Title Deed the funding has not yet been drawn down. He noted that the HIE side of the Title Deed has been sorted and now sits with SLAP. Gwilym will check SADA's cashflow position and the status of the Title Deed and inform HIE whether funding is likely to be	GG

	claimed this financial year.	
8.2	Mike noted that if any more advance funding is required from the SIC for this financial year he would need to know by 12pm on Monday 8 th February.	GG
9.0	Date of Next Meeting	
9.1	Meeting dates for 2010 are set for 4.00pm at Solarhus: 5 th March 9 th April 7 th May 4 th June 9 th July 6 th August 10 th September 8 th October 5 th November 10 th December	
9.2	The meeting closed at 5.25pm	

SHETLAND ARTS DEVELOPMENT AGENCY

MAREEL

CINEMA and MUSIC VENUE, LERWICK, SHETLAND

CLIENT REPORT No.8 – 12th March 2010

Executive Summary

A Site Progress meeting was held on 2nd March and a Project Team meeting was held on the 3rd March, 2010.

Blockwork up to first floor has been the main activity during this reporting period. Concrete columns at the foyer and entrance are complete to first floor level. Permanent formwork has been laid to areas of the first floor, reinforcement is being laid and the concrete floor slab is underway. Support formwork for the foyer is being erected and reinforcement is being fabricated. Four wind posts have been placed at the cinema diaphragm wall. Low temperatures and snow have been significant factors in affecting productivity this month. The pouring of concrete slabs was delayed and blockwork progress has slowed. A meeting was held with Russell Davies (Civil Engineer) on 29th January. The Audio Visual and Lighting package has been instructed by the Architect. A revised programme has been prepared and issued showing the contract completion as 16th February 2011. Weather delays have still to be evaluated. The wind and watertight date for the building is 14th June, 2010.

The financial status of the project is within budget.

Contractual Arrangements

Land purchase of the site is agreed but monies have not yet been transferred.

Funding for the project is in place.

All consultant appointments have been made other than those for additional specialist installations.

Planning consent has been given and the conditions discharged.

Building warrant approval has been received but needs to be revised to show the SAC changes.

Clients Brief

The clients brief has not altered from that set out in the Project Execution Plan.

Client Change Requests

Change Request forms with status

(Numbering from pre-contract issue)

Nr.025 Change communication cable from Category5 to 6.
DELETED

Nr.026 Addition of backstage blue lighting. Will be included in the Electrical design.

Nr.027	Back stage storage of flight cases. NO COST IMPLICATION.
Nr.028	Provision of teaching space on 2nd floor (50m2). Being discussed.
Nr.029	Proposal to amend door to double leaf. INSTRUCTED COST £358.95
Nr.030	Proposal for cabling for electric car re-charging. Ducts only have been installed.
Nr.031	Proposal for additional window to Recording Studio – Control Room. INSTRUCTED
Nr.032	Proposal to install satellite dish mast/receivers. Further advice ICT, SIC.
Nr.033	Investigate change of Data cable from Category 5e to fibre optic.

Planning, Building Standards
and Fire Officer Consent

Those required and status	
Planning -	Consent given. Artist lighting will require Planning consent.
Building Warrant -	Warrant approved.
Fire -	Consulted and issues resolved.

Public Utilities

Scottish Water - Business Stream quotation has been accepted.
Power - Scottish & Southern connection has been made.
Communications - BT application is being progressed with client/consultants.
IT – meeting SIC to discuss their involvement.
District Heating - consultant liaison with SHEAP concluded.

Design Team Reports-

Gareth Hoskins Architects report dated 23rd February ; Harley Haddow M&E report dated 19th February ; Elliott & Company Consulting Engineers report dated 2nd March ; David Adamson & Partners 22nd February ; Shetland Islands Council, Clerk of Works report dated 3rd March; all 2010. As attached.

Health & Safety

CDM Co-ordinator PJP Architects has no issues to report and the Principal Contractor noted no reportable incidents.
Toolbox talks are held weekly and site induction is now being carried out. Health & Safety plan currently being updated.

Project Master Schedule

DITT have submitted a revised programme following the award of an

Extension of Time from the Architect. The programme is likely to be further amended once the effect of the recent winter weather has been evaluated. Progress as measured against the new programme gives an estimate that DITT are currently 6-7 weeks behind programme.

Tendering Report

Update on works being tendered/still to be tendered include:

Cinema installation (infrastructure has been incorporated in above document). Specialist budget estimates have been sought to give up to date costs.

Construction Report Summary

Item	Description	% Complete	+ weeks	- weeks	Comments
	Ground Floor				
20	Beam founds	100			
21	Lift Pits	100			
22	U/G ducts	100			
23	Drainage	90			
26	Concrete columns	100			
27	Ground floor slabs	100			
28	Blockwork Auditorium	35		4	
29	Ground floor blockwork	95		7	
	First Floor				
32	First floor slab	45		5	
33	Blockwork	0		7	
34	Sound Control Room	0		5	
	Lift Shafts				
41	Lift 1	30			
42	Lift 2	35			

Financial Report

Appendix A.

Appendices

Risk Log /Change Log /Issue Log all to be issued at meeting.

garethhoskinsarchitects

report

LCM - site progress meeting 07

23 February 2010

Progress Report on previous period:

- completed design work on sign board and forwarded images to printers (Armaschine)
- reviewed and issued internal details
- reviewed and issued washroom layouts
- reviewed and issued setting out for timber balconies in auditorium
- updated finishes plans in regard to blockwork finish
- reviewed layout of cinema 1 and 2, further correspondence with Ron Inglis and client
- reviewed lighting art work with Nayan
- reviewed RFIs and answered general queries from design team
- started joiners first fix

Drawing issue: For Construction:

- 05.02.2010:
internal details
revision of external detail in regard to RFI 63
revision of ground floor slab setting out to show deleted column at lift 1
- 15.02.2010:
washroom layouts
auditorium timber balconies
blockwork setting out plan - updated to include auditorium balconies setting out
revision of north elevation setting out
finishes drawings (all floors) - updated extent of painted blockwork walls
lining types drawings - updated extent of painted blockwork walls

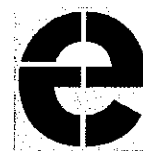
Anticipated actions over next period:

- issue setting out joiners first fix
- issue door details
- review way finding and signage and internal graphics
- respond to RFIs (ongoing)

LCM_11_GHA progress report 07_2010-02-23.doc

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LCM, Mareel

Report for Site Progress Meeting No7 02 March 2010

Issued information

18 January 2010	Sketch option for variation to Foyer First Floor Slab.
20 January 2010	Updated layouts and details for Stairs 01 to 04.
21 January 2010	Coordination of blockwork bonding requirements.
26 January 2010	Column base detail for Stair 02. Framing coordination with PJP/GHA
27 January 2010	Updated column base detail for Stair 02.
28 January 2010	Updated layouts and details for Stair 05. Respond to RFI-62.
29 January 2010	Query to GHA about Stair 05 balustrades.
01 February 2010	Respond to RFI's 63 and 64.
03 February 2010	Updated stair tread detail following site meeting. CAD drawings to QS for remeasurement. Respond to RFI's 65, 66 and 67.
04 February 2010	Auditorium wallhead detail coordination with GHA. Updated Stair drawings. Respond to RFI-73.
05 February 2010	Respond to reinforcement query to DITT.
09 February 2010	Respond to RFI 68.
11 February 2010	Respond to RFI-76 and 78
12 February 2010	Coordination of slab bearings with Arup Acoustics following amendment to slab on decking.
16 February 2010	Respond to query at NE corner. Issue updated slab details at foyer onto steel decking.
19 February 2010	Respond to RFI-83.
22 February 2010	Respond to RFI-79.
01 March 2010	Respond to RFI-85

Meetings / Site Visits

29 January 2010	Site Visit(RD) Meeting with DITT/PJP to go through slabs, stairs and blockwork issues.
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Information worked on

Stair 02 review following query from DITT.
Confirmation/coordination of insurances requirements for piling works.
Coordination for proposed cold water storage tank.

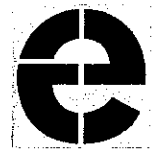
Information to Issue

Response to outstanding RFI's – 85N° received to date from DITT – All structural queries responded to.
Note RFI-058, 75 and 77 not received

Response to outstanding RFI's – 8N° received to date from CADS – All structural queries responded to.

Drawing of Lighting Gantry

Drawing of Lighting Support Beam

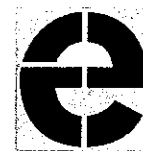


LCM, Mareel

Information Required

Proposed sequencing of construction for Stair 02 from DITT.
Results of any further Concrete Cube tests taken to date.

Elliott & Company
02 March 2010



LCM, Mareel

Notes on Action Points to Progress Meeting 04

- 3.07 Lighting Bridges. Details for lighting bridges and lighting support beams within roof void to be issued by 3rd March 2010.

Mechanical and Electrical Engineers Progress Report



harley haddow
consulting engineers

Report : M&E (Project Team Meeting) No. 6

Project Number: 2006 319

Project: Mareel, Lerwick.

Date: 19/02/10

Progress since Last Meeting

- Revised Mechanical Building Schematic issued along with EI and updated schedule.
- Comments provided for contractors document issue of hot water cylinder, cold water storage tank and pumps.
- Technical queries 1 – 8 answered and returned to DITT
- Lighting schedule up dated and issued.
- Meeting on A.V requirements and dimming requirements etc.
- External lighting columns and recessed auditorium lighting changed to LED.
- Confirmation that lift shaft painting not a requirement of EN81 lift regulations.

Work in Progress

- Answering RFIs from DITT
 - Received and answered RFIs Nos. 82
- Received Underfloor heating drawings from DITT for comment/approval. Asked for and awaiting UFH contractor's calculations for heating system. (On-going).
- Cafe and first floor over stair lighting to be finalised.
- Specialist external lighting to be added to external lighting drawings.
- Specialist lighting controls cabinets to be added to drawings.

Information Required

- Designs and Calculations from UFH manufacture
- Drawings for mechanical services layouts.
- We still have not received any co-ordination drawings from the sub-contractor for comment. Refer to Ron Doull email dated 19/02/2010 HH will provide a response.
- Finalised AV requirements.
- Awaiting finalised external specialist lighting details columns etc.
- Awaiting client's requirements for incoming BT supplies.
- Awaiting client's requirements for external power in car park (outside broadcasts).
- Conformation of requirements for replacing cat 6 with fibre optic backbone and identified main runs.

MAREEL- CINEMA & MUSIC VENUE, LERWICK

Report for Site Progress Meeting Nr 07

22nd February 2010

Progress up to 22nd February 2010

SAC Changes

Complete document issued to DITT, liaising with them on content.

Including revisions to Substructure, Frame & Upper Floors, External Envelope, Internals, Finishes, Fittings and Furnishing, Painterwork and Mechanical & Electrical Installations.

List of drawings used in SAC exercise forwarded to PJP.

Final lists of Tender/ VE drawings amended to reflect SAC changes previously requested from Design Team (9th April 2009) still awaited from EC.

Contract Progress

Valuation Nr 8 for Certificate Nr 8 issued.

Contractor's Application for Payment for Valuation Nr 9 awaited and Valuation Nr 9 will be issued within seven days following receipt.

Various potential cost alternatives/savings exercises carried out.

Format for recording drawing revision issue and AI must ~~X~~ be resolved.

Ongoing remeasurement and agreement of works in conjunction with Contractor i.e Downtakings and Alterations, Substructure, Frame & Upper Floors, Drainage and External Works (Car Park) still indicate cost concerns in relation to substructure, ground beams and general reinforcement.

Attended meeting at HH offices in Edinburgh with Client, Arups and proposed sub-contractor for AV Fit – Out to achieve savings on submitted tender. The outcome of the meeting show that these costs still exceed the contract budget.

Accepted costs for the external Rainscreen Cladding are also causing concern in overall cost terms.

Since the 18th of January DITT have progressed the works as follows: -

Ground floor slab.

The final section at NW corner of café/bar at grid C 1 to 3 was poured on the 28th January after completion of the edge support block work and installation of surface water drainage behind wall on 22nd January

Services

Excavation to expose main electric supply cable and ducts into plant rooms was started week beginning Monday 25th January. S.S.E. engineers laid cables into electrical plant room G37, and Scottish Water plant room G36, and jointed and energised cables on 28th January 2010.

Block work

Music venue

The diaphragm walls around music venue from grid D 5 to D3, D3 to E3, and E3 to E8 has been completed to above level of 1st floor slabs, and is progressing to remaining sections.

The block work from the café food prep room at grid D4, along north elevation between grid 1 and 3 to external wall at grid F has been completed up to up to 1st floor slab level, and the installation of the decking and reinforcing has been started. When worked started to these sections, the block work was not being fully bonded at the corners and joints as per the drawings and previous discussions with the design team. Clarification was asked for and marked drawing number SL102.2 was issued to identify areas that had to be fully bonded and other areas that could be tied or mesh bonded. Ditt have made good all the ground floor block work that did not comply to this drawing.

During the construction of external 215mm wall at grid F 3 4 the concrete pad stones under the door opening beams were missed. Ditt has assured me that these will be cast insitu at a later date.

The external door opening block work return at grid F 9 has been built in mesh bonded 140mm block work and not as 215mm fully bonded block work as highlighted on revised drawing SL 102.2 Rev H.

Foyer

The block work partitions in the ground floor toilets in the foyer has been started and are being fixed to columns with stainless steel connectors and ties.

Cinema venue

Block work at grid AB 7 to 12 is now to complete to 1st floor level and floor slab is being progressed.

The diaphragm wall at grid 10 has been started and the wind posts were set up week ending 6th February. The wind posts were fixed at base plates and braced with timber battens. The bracing was removed as block work progressed up and this unfortunately has caused posts to move enough to loosen some of the wall ties that are clamped to the metal posts. The diaphragm block work has been progressed up to 4.300 above the ground floor slab and the wind posts were braced to the scaffold on Saturday 27th February. DITT have assured me that loose wall ties will be made good at a later date.

The 215 and 140mm block work partitions under projection room and cinema seating are being progressed up to concrete slab level, as is the 215mm external wall at grid 10 C to D.

Cold weather working

DITT have observed the temperature limits in NBS which is to not to commence block work unless temperature is 1 deg.C and rising and stop building when temperature is falling below 3deg.C.

The newly built block work has been covered at end of working day by hessian being draped over it, which has been taken off the next morning and dried before being reused at night. On occasion exposed walls have had to be protected with sheets of 50mm polystyrene to protect them from wind chill.

Since the end of January the weather has been cold with heavy snow at times. Since then snow clearing operations, snow showers, lying snow, and low temperatures have disrupted progress. There have been some nights of overnight frost with minimum overnight of -1deg.C and -4deg.C on the night of 22nd February, and a severe frost on the night of 23rd February.

On Monday 1st March B.Hamilton and clerk of works inspected block work that was built during the periods of overnight frost at the NE corner of the Music venue and the top of the 140mm partition wall between grid 1 and 2 EF. There was frost damage to the pointing of the block work and in towards the mortar bed. It may be that this is superficial damage but a further investigation should be made to check all the block work built during periods of frost after mortar has had sufficient time to cure

When my report was discussed at the site meeting 2nd March S.Holmes said that DITT quality control system had picked this up and that they would be going to sort out the problem. I find that surprising as frosted block work takes some time to show up and only after the mortar has fully cured. It can easily be identified as a light grey or white colour compared to the good mortar around it, and when scratched with a metal object the outer face of the pointing flakes off to reveal soft mortar in behind.

As I said at the site meeting that any frost damage to the block work has not been caused by DITT working procedures but most likely happened overnight when the frost set in and probably the hessian was not thick enough or fully covered the block work.

I feel that the design team should take serious note of this issue and possibly ask DITT how they intend to ensure us that all the block work built over the last month is going to be checked and if necessary made good.

Mortar and blocks.

During my inspections of the block work I noted a different colour in the mortar and the strength of it when the surface was scratched. This indicates to me that the mortar mix is not consistent and this is where random mortar samples would help improve consistency.

There appears to be no problem with the blocks as it is taken a considerable time to cut and break them and there is very little chips lying around the scaffold where the blocks are being cut.

1st Floor concrete slabs.

The metal decking for floor over staff rooms at grid AB 7 to 12 was started on 9th February and installation of steel beams and final section of decking is still on going at grid AZ 6 to 7. The fixing of the steel reinforcing has been completed to the section at AB 7 to 12.

The metal decking and fixing of steel reinforcing to slab at level 8.420 under recording studio at grid EF 5 to 8 is completed and was ready for pouring on Monday 22nd February but could not be done due to the weather. S.Holmes challenged this at the site meeting on the 2nd March saying that this was not the case and that the slab to the north of the cinema was to be poured first. I find this confusing as he was not on site weekend 20/21st February when foreman Bob Hamilton asked me to come to site to check the steel so as it could be poured on the 22nd February!

The Peri decking system for the foyer 1st floor slab was delivered to site on Monday 15th February and installation started immediately and is still ongoing.

The steel reinforcement cages for the 1st floor beams in foyer area were started to be fabricated on Monday 8th February.

The metal decking has been completed at grid DE 1 to 3 north side of Music venue and the reinforcing is presently being fixed, and the steel decking is being progressed at grid EF 1 to 5.

Charles Grant COW Mareel Project 3rd March 2010.

Shetland Arts Development Agency
Mareel Project Board (Operations)
Friday 12th February 2010
Solarhus, North Ness Business Park, Lerwick



Robina Barton, Trustee, Shetland Arts
Mark Burgess, Trustee, Shetland Arts
Gwilym Gibbons, Director, Shetland Arts
Kathy Hubbard, Arts Development Manager, Shetland Arts
Joanne Jamieson, Trustee, Shetland Arts
Rick Nickerson, Cultural Spokesperson, SIC
Bryan Peterson, Arts Development Officer – Music, Shetland Arts
David Priest, Highlands and Islands Enterprise
Stuart Robertson, Highlands and Islands Enterprise
James Sinclair, Trustee, Shetland Arts
George Smith, Director, Shetland College
Richard Wemyss, Events and Venues Manager, Shetland Arts

Agenda

1. Apologies
2. Minutes of the last meeting – 15/12/09 (attached)
3. Operations planning update
4. Mareel positioning statement (attached)
5. Any other business
6. Date for 2010 (4pm at Solarhus):
 - 26th March
 - 30th April
 - 11th June
 - 23rd July
 - 3rd September
 - 22nd October
 - 3rd December

Minute of a Meeting of the Mareel Project Board (Operations) held at 4.00pm on Tuesday 15th December 2009 at Shetland Museum and Archives, Learning Room

Present:

Gwilym Gibbons, Director, Shetland Arts (Chair)
 Robina Barton, Trustee, Shetland Arts
 Mark Burgess, Trustee, Shetland Arts (from 4.31pm)
 Kathy Hubbard, Arts Development Manager, Shetland Arts
 Joanne Jamieson, Trust, Shetland Arts (from 4.30pm)
 Bryan Peterson, Arts Development Officer – Music, Shetland Arts
 David Priest, Highlands and Islands Enterprise
 Richard Wemyss, Events and Venues Manager, Shetland Arts

In Attendance:

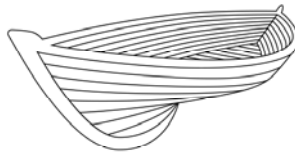
Louise Morris, Administration Support Officer (minute taker)

Apologies:

Rick Nickerson, Cultural Spokesperson, Shetland Islands Council
 Stuart Robertson, Highlands and Islands Enterprise
 James Sinclair, Trustee, Shetland Arts

Item	Topic	Action
1.0	Minutes of the last meeting – 30/10/09	
1.1	The minutes of the previous meeting were approved as accurate.	
1.2	Gwilym and George have met to further discuss education at Mareel. Gwilym announced that Shetland Arts has been awarded the contract to produce the NC and HNC in music for Shetland College by April 2010.	
2.0	Construction Update	
2.1	Gwilym reported that Mareel is on budget and on schedule for opening in early 2011. He noted that there are aspects of construction that are behind in the build programme. However, DITT aim to be back on schedule by May 2010. The building is due to be watertight by May.	
3.0	Operations Planning Structure	
3.1	Gwilym tabled a draft project management document for the preparation of the operation of Mareel which he produced using project management software. It is the intention that this document be reviewed and added to throughout the project.	

3.2	The document consists of project responsibilities, stakeholder analysis, milestones, project reporting, change control logs and risk logs. Each of these areas will be discussed at each meeting.	
3.3	The document contains a list of main milestones from now until the opening with responsibilities and timescales. At each meeting these milestones will be discussed to see if they are on target or off target using the RAG system (red, amber and green flags).	
3.4	<p>Gwilym noted that he has identified three risks to the successful operation of Mareel:</p> <ul style="list-style-type: none"> • Core funding reduction • Staff time to deliver change management programme • Change in senior and specialist staff <p>It was agreed that by far the biggest risk is staffing - staff wellbeing, recruitment and retention, morale and training.</p>	
3.5	<p>It was agreed to also add the following risks:</p> <ul style="list-style-type: none"> • Major non-SADA music events not moving to Mareel; • Certain groups/clubs/audiences feeling excluded; • Unreliable broadband connection; • Not being able to attract big bands; • College decides not to use Mareel for music courses; • Lack of lift maintenance on the island; 	
3.6	The risks pertaining to the construction of Mareel are contained in a separate document and managed by the Mareel Project Board (Construction).	
4.0	AOB	
4.1	Gwilym said he would arrange for Project Board members to have access to Basecamp – an online project management tool.	GG
5.0	Dates of Future Meetings	
5.1	The next meeting is scheduled for Friday 12 th February, 4.00pm at Solarhus, North Ness Business Park.	



Shetland*arts*

To: Mareel Operations Board

12 February 2010

From: Director, Shetland Arts

Mareel Positioning Statement: A world venue

1 Background

- 1.1 It has been along aspiration that when we open Mareel it is positioned as an international venue that becomes part of a circuit for new and established bands, DJ's, stand up comics and other live performance acts.
- 1.2 The venue has been designed to a high standard with first class backstage facilities that will rival any other midscale venue in the UK.
- 1.3 The Mareel business case is built on a broad range of programming to meet community need and targeted at local audiences. The business case acknowledges the digital content that Mareel could create but only as a by-product of the live performance Mareel will host.
- 1.4 The business case also assumes elements of public funding through project grants and small amounts of local sponsorship. Secondary financial benefits are also assumed through transfer of activity and economies of scale of core-funded activity that Shetland Arts already undertakes. As public and SCT funds reduce there is significant pressure on the core funds SADA currently enjoys. As a result the level of secondary benefit that was identified as support for Mareel is likely to reduce. There is an urgent need to identify and aggressively secure alternative income generation in order that Mareel and current SADA activity is protected.
- 1.5 Mareel will open in a fast changing digital age. There is a growing need for broadcast quality content which presents an important income generation opportunity for Mareel and Shetland Arts that if embraced early on, could become a major part of the venue's viability and future security of the organisation.
- 1.6 This paper discusses the mind shift required to exploit Mareel's potential as a live broadcast centre: a world venue, broadcasting to a world audience, and the range of income generation streams that may follow.

2 A world venue

- 2.1 Following recent meetings with content producers from the BBC, WARP Records, Something Else and communications and brand management specialists Franklin Rae and Make Happy, a real interest has been identified in Mareel providing digital content for broadcast for radio, TV and web. Further discussions with a range of stakeholders and potential partners at and around Celtic Connections reinforced the positive discussions held in London earlier in the same week.
- 2.2 A common strand running through all discussions is the commercial opportunity presented by coupling the Shetland brand with live broadcast. The ability to use the magic and mystique of Shetland as a location to sell content, provides Mareel with a competitive edge that could be attractive to performers as well as to commissioners and other content customers.
- 2.3 A further value identified in adopting a proactive positioning of Mareel as a broadcast venue that reaches large audiences, is the sponsorship opportunities and product placement potential.
- 2.4 The mind shift comes in seeing, understanding and exploiting the Music Hall audience that are watching and listening to content outside the venue. The audience within the venue become part of the content and the experience sold. The 'live' audience will still have to be looked after – they will provide the excitement and bring the performance life and added value but they cease to be the sole focus.
- 2.5 Income generation from intellectual property (IP) is notoriously difficult. However, there have been a number of recent breakthroughs that demonstrate that digital content can be very profitable. The key is centred around brand loyalty and added value (often in the form of quality) for a small financial cost. The aim being to sell thousands units of live streams/ downloads at minimal costs.
- 2.6 The direction of digital broadcast is also going very much in our favour. The significant increase in TV channels all seeking content provides a ready market for Mareel content. Further, demand for live recorded music is increasing, with live recorded bonus tracks forming a coming part of marketing of new releases.
- 2.7 Film and TV producers are already expressing an interest in 'looking after' the live recording side of Mareel activity. A challenge for Shetland Arts is to make the most of the opportunities presented to us and created by us, while protecting our IP as a vital asset for future years. Sometimes there will be the case for a larger sum up front and loss of IP but the trick will be finding a balance that takes the long view into account when assessing the best deal for performer and venue.

3 Proposal

- 3.1 Shetland Arts develops and delivers marketing and communication that supports Mareel as a broadcast venue.
- 3.2 Shetland Arts invests in ensuring Mareel is placed at the centre of the film and broadcast world through carefully targeted networking and communications utilising specialists in the field.
- 3.3 Shetland Arts explores a partnership with Make Happy, a London based communications and design agency who are seeking an opportunity to promote their new agency with three innovative clients. The aim will be to embed our graphic designer Jono Sandilands in Make Happy for short periods of concentrated time to develop a Mareel brand that supports the positioning aspired.
- 3.4 Shetland Arts continues to build relationships with record labels and content producers as potential customers for live recording and broadcast.
- 3.5 Shetland Arts forms relationships with potential sponsors/commissioners working closely with London based agencies.
- 3.6 Shetland Arts develops a robust IP income and protection scheme that places digital content generation at the centre of the revised Mareel business plan.

4 Cost implications

- 4.1 There are cost implications with agency fees, travel and accommodation for London visits and Jono Sandilands close working with Make Happy. All costs will be met through agreed marketing budgets already in place.

5 Recommendations

- 5.1 The Mareel Operations Board note the above proposal and consider the implications of positioning Mareel in this way paying particular interest to:
 - 5.1.1 Income generation potential
 - 5.1.2 Reputational risk – local and national
 - 5.1.3 Skills and knowledge requirements
 - 5.1.4 Sense of ownership: the who is the venue for question
 - 5.1.5 Potential for promoting Shetland, the venue and Shetland based performers

Gwilym Gibbons
Director
10 February 2010

abcdefghijklm
nopqrst

**Third Sector Enterprise Fund
&
Third Sector Credit Union Fund**

Application Form

May 2009

This document can be translated on request into your community language, or can be made available on request in large print, Braille or audio cassette/other formats. Please contact Scottish Government, Third Sector Division, telephone number 0131 244 3540.

Third Sector Enterprise Fund – Application Form

Please read the following information, which is included in the application pack, before completing this form:

- Third Sector Enterprise Fund Investment Strategy 2008-2011
- Frequently Asked Questions (FAQs)
- Information and Guidance for Applicants
- Help Notes for Applicants

Section A: BASIC INFORMATION

Q1: Name of Organisation

Shetland Arts Development Agency

Contact Name

Gwilym Gibbons

Telephone

01595 743843

Contact's Position in Organisation

Director

Organisation Address:

Shetland Arts Development Agency
Toll Clock Centre
Lerwick
Shetland

Postcode :

ZE1 0DE

E-Mail and web address

gwilym.gibbons@shetlandarts.org | www.shetlandarts.org

Where did you hear about the Enterprise Fund?

Via the Scottish Arts Council and Mission Models Money

Which Fund are you applying to?

Third Sector Enterprise Fund (£25,000-£100,000)



Are you applying as the lead partner for a consortium application?

Yes ☒

Third Sector Enterprise Fund – Application Form

Q2: If yes, who are the other partners involved in this proposal?

Shetland Amenity Trust

Jimmy Moncrieff - jimmy@shetlandamenity.org

Shetland Amenity Trust, Garthspool, Shetland. ZE1 ONY Registered Charity No: SCO17505

Role: Partner and building owner in *Networking Creative Places & Spaces*

Letter of support attached

Belmont House Trust

Mike Finnie – mike.finnie@shetland.gov.uk

Skeogarth, Houss, East Burra Isle, Shetland. ZE2 9LE Registered Charity No: SCO25846

Role: Partner and building owner in *Networking Creative Places & Spaces*

Letter of support attached

Global Yell Limited - Centre for Creative Industries

Andy Ross - globalyell@btconnect.com

Unit 4, Sellafirth Buisness Park, Yell, Shetland. 9DG Registered Charity No: SCO31129

Role: Partner and building owner in *Networking Creative Places & Spaces*

Q3: Does your organisation have a legal personality?

Yes ☒

If yes, what is the legal form of your organisation? (please disclose any relevant registration numbers and tell us where you are registered)

Independent Charitable Trust: Registered Charity sco37082. Registered with Registers of Scotland, Queen Street, Edinburgh.

If you are a Credit Union, please provide your FSA Reg No

N/A

Q4: Is your organisation VAT registered?

Yes

☒

No

☐

Q5: Are you eligible to reclaim VAT?

☒

☐

Please provide your VAT Reg No (if applicable)

671 2655 32

Q6: In which of the following area(s) does your organisation operate?

Health ☐

Housing Related ☐

Other ☐

Learning and Employment ☐

Arts and Sports ☒

Environment ☐

Community Development ☒

Social Care ☐

Financial Inclusion ☐

Q7: How would you describe your organisation?

Voluntary Organisation ☒

RSL subsidiary ☐

Social Firm ☐

Other ☐

Intermediary body ☐

Social Enterprise ☒

Credit Union ☐

Third Sector Enterprise Fund – Application Form

Section B: THE APPLICATION

Q1: What are the anticipated start and end dates of your investment proposal?

15th January 2010 - 30th June 2010

Q2: Over what period of time are you requesting our investment?

15th January 2010 - 30th June 2010

Q3: How much funding are you applying for from the Enterprise Fund/Credit Union Fund? Please provide a breakdown of the various elements

Capital	2009/10	2010/11	Total
-	-	-	-
Sub-Total	0	0	0

Revenue			
Weisdale - business planning for redevelopment	5500	8250	13750
Weisdale – structural cost analysis and feasibility	15500	3250	18750
Creative places – collaborative working group	0	6000	6000
Creative places – buildings fit-for-purpose analysis	9000	0	9000
Creative places – electric carpool feasibility study	5000	4900	9900
Evaluation, learning & SIF preparation costs	2050	3400	5450
SADA project management cost @ 15%	3705	2580	6285
Sub-Total	40755	28380	69135

Total			69135
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NB Please refer to **D6** and the **attached appendix** which further details the cost basis of this proposal.

Section C: MORE ABOUT YOUR ORGANISATION

Q1: Tell us about your organisation. What are your organisation's aims and objectives? (no more than 500 words)

Shetland Arts Development Agency (SADA) was established as a charitable organisation in January 2006. It is a foundation organisation of the Scottish Arts Council, having previously operated as Shetland Arts Trust from May 1985. Our 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.

Our overarching outcomes are:

- Increased social and economic sustainability for Shetland
- Improved health and well being of Shetland individuals
- An empowered, enabled, inclusive & supported voluntary creative community & creative industry sector
- Increased and enhanced local, national and international recognition of Shetland's unique creative heritage, contemporary practice and creative value

SADA has responsibility for carrying out the Shetland Islands Council's arts strategy and as such is charged with providing a full range of arts and arts development services for the people of Shetland. As a result its Deed of Trust objects include:

- To improve access to the arts and create opportunities for individuals, geographical communities and communities of interest, at all levels of experience and ability, to participate in and enjoy a diverse range of arts activity through performances, exhibitions and educational activities
- To encourage and assist in promoting and advancing the creation, practice, presentation and study of all forms of art – visual, performing and creative
- To create opportunities for personal development through arts activities
- To promote a culture of life long learning through a community development approach within the arts
- To support professional artists through residencies, workshops and performances
- To develop the skills and experience of artist practitioners and participants and encourage learning

It achieves this through a range of activities:

- delivery of arts development activity across a broad range of artforms through a dedicated team of specialist art form officers
- this includes the curation, production and promotion of a year-round programme of events which in the period 2006-08 comprised of 1018 events and exhibitions which together enjoyed the attendance of 102,816 people
- management of two venues – the Garrison Theatre in Lerwick and the Bonhoga Gallery at Weisdale Mill
- overseeing the development of Mareel – a major new mixed-arts venue opening in 2011
- management of a number of Working Artists Studios available to creatives on a rental basis

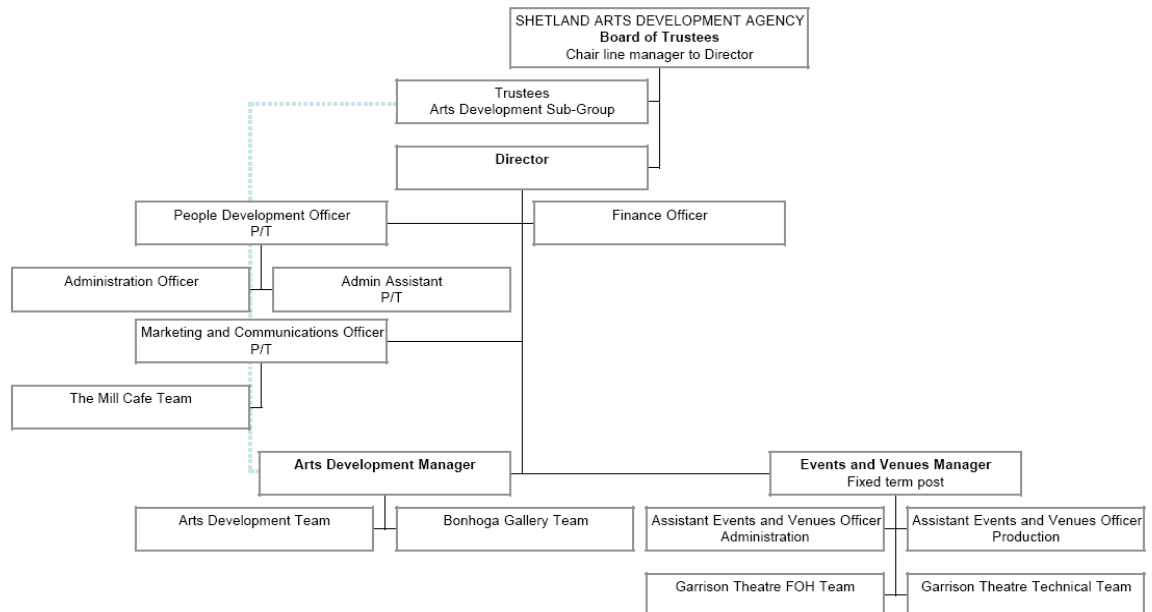
[A Hansel for Art](#) is Shetland Arts' strategic plan for a creative future and it is accompanied by a detailed and regularly updated action plan ([August 09 version](#)) which monitors progress towards the vision of a creative, confident and connected Shetland. Central to that vision is the development of the creative industries in Shetland and the positioning of the islands as *the* place that creative professionals visit to be inspired and work for short or extended periods.

[464 words]

Third Sector Enterprise Fund – Application Form

Question 1 continued

For reference, a current organisational chart is given below:



Third Sector Enterprise Fund – Application Form

How is your organisation staffed (please provide numbers)

Full time	17
Part Time	5
Volunteers	38
Total	60

Q3: Who is your client group?

SADA has five general client groups a) the general Shetland population b) local creative professionals c) visiting tourists d) visiting creative professionals e) national creative arts bodies and policy makers

Q4: In which geographical area(s) does your organisation operate?

Aberdeen City	<input type="checkbox"/>	East Renfrewshire	<input type="checkbox"/>	Orkney	<input type="checkbox"/>
Aberdeenshire	<input type="checkbox"/>	Edinburgh City	<input type="checkbox"/>	Perth & Kinross	<input type="checkbox"/>
Angus	<input type="checkbox"/>	Falkirk	<input type="checkbox"/>	Renfrewshire	<input type="checkbox"/>
Argyll and Bute	<input type="checkbox"/>	Fife	<input type="checkbox"/>	Scottish Borders	<input type="checkbox"/>
Clackmannanshire	<input type="checkbox"/>	Glasgow	<input type="checkbox"/>	Shetland	<input checked="" type="checkbox"/>
Dumfries and Galloway	<input type="checkbox"/>	Highland	<input type="checkbox"/>	South Ayrshire	<input type="checkbox"/>
Dundee City	<input type="checkbox"/>	Inverclyde	<input type="checkbox"/>	South Lanarkshire	<input type="checkbox"/>
East Ayrshire	<input type="checkbox"/>	Midlothian	<input type="checkbox"/>	Stirling	<input type="checkbox"/>
East Dunbartonshire	<input type="checkbox"/>	Moray	<input type="checkbox"/>	West Dunbartonshire	<input type="checkbox"/>
Eilean Siar	<input type="checkbox"/>	North Ayrshire	<input type="checkbox"/>	West Lothian	<input type="checkbox"/>
East Lothian	<input type="checkbox"/>	North Lanarkshire	<input type="checkbox"/>	Scotland-wide	<input type="checkbox"/>

Q5: Does your organisation work in partnership or have links with any others?

Yes ☒ No ☐

Shetland Arts enjoys a wide range of strategic and practical partnership arrangements with partners locally, nationally and internationally. We pride ourselves with developing mutually beneficial collaborative working arrangements wherever and whenever possible. This is exemplified by the Asset Based Community Development approach to our work - a methodology that seeks to uncover and highlight the strengths within communities as a means for sustainable development. The basic tenet is that a capacities-focused approach is more likely to empower the community and therefore mobilize citizens to create positive and meaningful change from within. Instead of focusing on a community's needs, deficiencies and problems, the asset-based approach helps them become stronger and more self-reliant by discovering, mapping and mobilizing all their local assets. In practice, this translates as valuing partners as assets and thereby seeking out partners who are best suited to support our work.

Partnerships most relevant to the activity described within this bid includes partnerships and links with: National Trust for Scotland, WASPS Artist Studios, Swan Trust, SNH, ZeTrans (Shetland Transport Partnership), Shetland Creative Industries Unit, Promote Shetland (Shetland DMO), Jersey Arts Trust, Pier Arts Centre Orkney, UK Craft Council, RSA and various artist led groups/ clubs throughout the UK and abroad. Shetland Arts also an extensive set of relationships with a broad range individual high calibre artists gained through over 20 years of successful residences and events in Shetland.

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Q6: Are you aware of any organisation doing similar activity in your market area?

Yes ☐ No ☒

Please provide details

Our detailed understanding of the local marketplace recognises that outside the members of the consortium the only other major player is [WASPS Artists Studios](#), who provide rental studio spaces for artists across Scotland. Shetland Arts has a strong strategic relationship with WASPS through its operational management of the The Booth artist studio space in Scalloway and therefore will work as a market-maker with WASPS rather than as direct competition. The market for such studio space is well demonstrated in that this particular property is currently fully booked with a significant waiting list. SADA see WASPS' continued involvement in The Booth as a key driver for development of other creative space in Shetland, given that the partnership provides an important link to an already established market place.

Preliminary desk research has shown that while a number of individual organisations offers creative space both nationally and internationally, none enjoy the benefit of networked approach that we outline below which allows for a broad range of spaces. When this is coupled with such a unique geographical location, the result is a very special offering in an international context.

Q7: How are equal opportunities/diversity promoted within your organisation?

At the heart of all activity Shetland Arts promotes, delivers and supports is a commitment to equality.

Like most organisations of our nature we have an Equal Opportunities and Diversity Policy which is attached as a supporting document as requested and we have processes in place to ensure best practice within recruitment and selection process and we provide regular training to staff and volunteers.

Also highly relevant is Shetland Arts' adoption of the [LEAP Model](#) to guide the development and evaluation of the organisation. This model promotes regular review of methods and processes and enables the organisation from the Board down to review practice, impact and reach of the organisation.

In addition, Shetland Arts as a Foundation Founded Organisation of the Scottish Arts Council also has to meet the requirements of the Quality Framework in which we are monitored on an annual basis against strict guidelines specifically around equality and diversity activity.

Section D: ABOUT YOUR PROPOSAL

Q1: What will this investment funding be used for? Why is this work necessary?

A central aspect of Shetland Arts' mission is to grow the creative industries of the islands thereby growing the social and economic sustainability of Shetland. This proposal is aligned with this aspect of our mission and part of our strategy entitled *Creative Spaces and Places*. This investment will be used for two related elements which align with this agenda.

1) Development of the existing **Weisdale Mill** site through acquisition of two neighbouring properties and the development of the complex into new working spaces. This will allow:

- the provision of a new rental portfolio of working artist studios
- improved gallery space
- the provision of a shared workspace available to all Shetland residents as well as creative professionals based on the successful pay-for-time model of [The Hub](#)
- installation of a micro-energy generation unit on the Mill which renders the complex carbon-neutral

The current owners of the neighbouring properties are ready to sell to SADA and it is yet to be placed on the open market. All of SADA's current studios such as The Booth are fully booked with a waiting list of over 18mths thereby demonstrating demand from artists. Therefore the urgent need is for the business modelling and development analysis so that SADA can take advantage of its preferred-buyer status.

2) **Networking creative infrastructure** in Shetland to maximise access to creative spaces and places. This will be achieved through:

- formation of a partnership between four lighthouse spaces, Belmont House, Global Yell Centre for Creative Industries (Connected Crofts Project), Weisdale Mill and the Booth in Scalloway
- the provision of electric pool cars and charging points at each of these locations for use by visiting and local creative professionals as well as local residents and tourists

Shetland makes significant financial investment into its physical creative and heritage infrastructure. We believe that with careful planning, stronger partnership working and some initial additional investment a sustainable model of financial generation can be developed across the consortia. Many leading creative figures recognise the unique nature of Shetland but this is more by accident than design. Therefore as a partnership we must reach these currently untapped markets so as to exploit the full value of our current resources – this will also include collaborating with other rural creative clusters such as those in Jersey, Cornwall, Norway and Iceland.

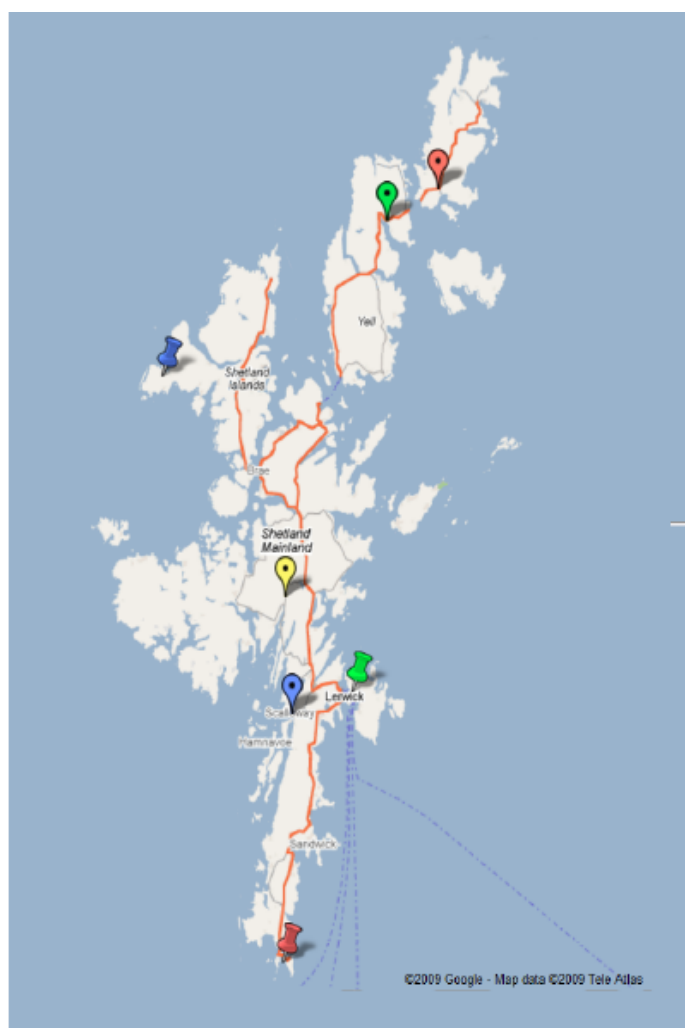
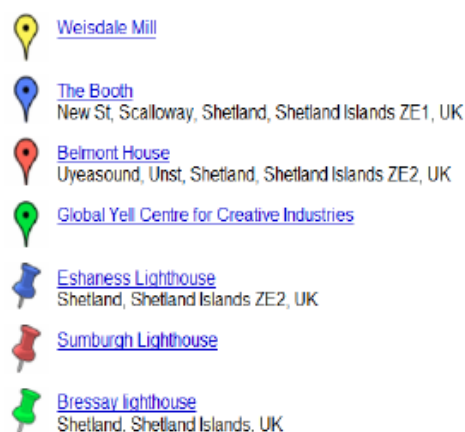
Both these activities will require further investment for full realisation, for which SADA intends to request investment from the Scottish Investment Fund. Therefore this TSEF investment would be used towards the requisite feasibility work needed so as to be able to present a fully investment-ready business case to the SIF. Reflecting the outcomes above, the TSEF funding would be used for the following elements:

- *Weisdale Mill*. Professional advice for incorporating expanded site into SADA business model
- *Weisdale Mill*: Part of the costing study of redeveloping expanded property
- *Networking spaces*. Development of the new collaborative marketing partnership
- *Networking spaces*. Assessing development needs (not Weisdale) for network members
- *Networking spaces*. Assessing triple bottom line business case for carpool infrastructure

Third Sector Enterprise Fund – Application Form

The additional project elements of the micro-generation feasibility study and part of the costing study for the development at Weisdale Mill has attracted potential match funding with details given below.

For the sake of illustration, below is a map of the sites mentioned in this proposal:



[Link to this bespoke online Google Map of locations](#)

Additional notes:

- *Weisdale Mill* is currently owned by SADA with adjoining property available for sale. Geographically forms a natural hub for the network
- *The Booth* is an oversubscribed artist's working space in Scalloway and is SADA owned and managed by WASPS. Part of the proposed creative places and spaces network.
- *Belmont House* is owned by Belmont House Trust, project partner. Part of the proposed creative places and spaces network.
- *Global Yell Centre for Creative Industries* is a creative industries hub and project partner. Part of the proposed creative places and spaces network.
- The Shetland Amenity Trust is a project partner and owns and manages the three lighthouse properties (*Eshaness*, *Sumburgh* and *Bressay*) which are part of the proposed creative places and spaces network

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Q2: How will the activities described in your proposal contribute towards building your organisation's capacity, capability and/or financial sustainability?

The capacity and capability benefits of partnership working

The development of a formal partnership and collaborative project across the consortium members will not only allow the leverage of more external funding due to the collegiate approach but also allow the partners' increased relationships to better barter space and support within the group. There will also be the capacity benefits thanks to the economies of scale available through partnership working with respect to building maintenance, management and marketing.

Financial sustainability - moving beyond grants dependency

SADA is a heavily grants-funded organisation and through the generation of the further income streams of studio rental, commission from increased gallery space, carpool rental and the possibility of electricity surpluses at Weisdale Mill would allow for a step change in financial sustainability due to the diversification of commercial income streams. Furthermore, in the medium-to-long term, as Shetland raises its profile as a creative world destination of choice, SADA will be able to increase its rental rates and levels of occupancy.

Third Sector Enterprise Fund – Application Form

Q3: Does your proposal address any of the Enterprise Fund's investment priorities?

Employability ☒

Environmental Action ☒

Underlying Issues of Health Inequalities ☐

Please provide details

Employability

When the developments undergoing initiation and business planning in this proposal are fully complete, they will be integral to the perception of Shetland as a creative destination of choice – thereby supporting a thriving creative industries sector in Shetland – widely recognised as a key employment driver in the 21st century. In the UK, KPMG predicts 46% employment growth and 136% output growth in the creative industries between 1995 and 2015. In 2004 the UN estimated that creative industries account for 7 per cent of global GDP and were growing globally at a rate of 10 per cent a year. (DCMS, 2005)

A [2008 economic impact study](#) of the creative industries in Shetland comprised 4.1% of the islands workforce although that did not include a significant hobbyist/amateur and voluntary component to the sector in Shetland which anecdotally raises the proportion to 20%. The study also recognises the potential for growth but dependent on better infrastructure, the likes of which this proposal will deliver.

Anecdotal evidence suggest that a proportion of creative professionals who have undertaken short residences in Shetland have returned within 3 years to make Shetland their home – this is estimated at approximately 5%. Creative professionals appear to opt to relocate to the most geographically remote locations of our island communities with these incomers providing a vital population boost to venerable rural communities and supporting local services. A key strategic priority for Shetland is population retention, growth and diversification and this attraction of the Creative Industries provides a source of relatively young and economically active islanders.

We believe that the relocating creative professional, typically a self-employed established visual artist, contemporary craft maker, musician or writer adds a significant secondary economic benefit from investment in this project. In simple terms our aim is in the first instance to ensure that those creative professionals visiting the islands and staying in one of our consortia properties have a high quality experience that promotes our in many ways more important secondary sell, relocation. Both elements subsequently feed of each other. We already have a critical mass of creative professionals who are stimulating creative interest in the islands through their creative output and networks.

Environmental Action

While organisational and financial sustainability is a key driver for this proposal, so too is the wider sense of environmental sustainability. Weisdale Mill is a significant opportunity to install a small clean-tech energy source utilising both wind and hydro-electric power thus enabling the surrounding area to be fully energy self-sufficient. This emphasis is also apparent in the networking aspect of the proposal where the infrastructure is to be developed using a pool of electric cars and associated charging points at the network venues – which will be available for use by general residents and tourists as well as visiting and local creative professionals.. Shetland has some of the highest fuel costs in the UK but still there is a high dependence on private car ownership. This scheme therefore can seed an islands-wide car-sharing scheme using the creative infrastructure as its skeleton – thereby amplifying its environmental impact many times over.

Third Sector Enterprise Fund – Application Form

Q4: How does your proposal contribute towards the Scottish Government's National Outcomes (see Annex A)?

#1 We live in a Scotland that is the most attractive place for doing business in Europe.

Central to this proposal is the development of Shetland as one of the premier destinations in the world for creative people to visit, be inspired and work for short-term periods. Many leading creative professionals such as the Andrew Motion and Mark Kermode regularly visit Shetland and this project is designed to attract many more practitioners of this calibre to the islands and thereby grow Shetland's brand as a creative hub.

#13 We take pride in a strong, fair and inclusive national identity.

The culture, heritage and tradition of Shetland is unique not only in Scotland but also within the wider UK. This proposal fully celebrates this identity and recognises it as a special driver for growth.

#14 We reduce the local and global environmental impact of our consumption and production.

Through both the provision of the micro-generation facility at Weisdale Mill and an electric car pool scheme, there will be a significant reduction in the local carbon footprint. And should the carpool extend wider amongst the islands the impact will be on a major scale.

These proposal-specific contributions to the National Outcomes are mirrored by those made by Shetland Arts as a whole – exemplified by the promises outlined in *A Hansel for Art*. A summary of these can be seen by reviewing our [A Hansel for Art Action Plan](#) which maps our progress against each of our strategic promises.

Third Sector Enterprise Fund – Application Form

Q5: What is the total cost of your proposal?

Capital	2009/10	2010/11	Total
Weisdale - deposit to secure adjoining properties	0	25000	25000
Sub-Total	0	25000	25000

Revenue			
Weisdale micro-generation feasibility study	3695	0	3695
Weisdale - business planning for redevelopment	5500	8250	13750
Weisdale – structural cost analysis and feasibility	15500	23250	38750
Creative places – collaborative working group	4800	11300	15600
Creative places – buildings fit-for-purpose analysis	9000	0	9000
Creative places – electric carpool feasibility study	5000	4900	9900
Evaluation, learning & SIF preparation costs	2050	3400	5450
SADA project management costs @15%	6832	7665	14497
Sub-Total	52377	58765	111142

Total	52377	83765	136142
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NB Please refer to the attached appendix which further details the costs' basis

- **Appendix document:** *Budget outline + activity timeline(Shetland Arts).pdf*

Q6: What other sources of funding, including funding from other Scottish Government departments (if applicable), will be used towards your proposal?

Funding Partner	Confirmed Y/N*	2009/10	2010/11	2011/12	Total
HIE/Leader+ Convergence ¹	N	25000	25000	-	45000
Community Energy Scotland ²	N	3965	-	-	3965
Consortium partners (in-kind)	Y	4800	4800	-	9600
SADA project mgt(in-kind)	Y	3127	5085	-	8212

* If No, please provide a likely confirmation date	HIE/Leader Plus – December 2009 Community Energy Scotland – November 2009
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¹ HIE/Leader+ Convergence notes:

- Leader+ Convergence Funding Application
Contact details are: Sheila Keith - leader@shetland.gov.uk
- HIE SADA Growth Plan Application
Contact details : David Priest - david.priest@hient.co.uk

² Community Energy Scotland notes :

- Feasibility study commission as grant equivalent
- Contact details: jennifer.nicolson@communityenergyscotland.org.uk

Third Sector Enterprise Fund – Application Form

Q7: Have you in the last 3 years received funding which the funder described as 'de minimis' under State Aid?

Yes ☐ No ☒

If yes, please provide details

Third Sector Enterprise Fund – Application Form

Section E: IF YOU ARE SUCCESSFUL

Q1: We normally pay grants in two or three stages based on evidence of expenditure. Do you think you may require payments made in any other way?

Yes ☐ No ☒

If yes, please provide details and reasons why

Q2: How will you monitor and evaluate our investment and its impact?

Given the nature of our proposal as feasibility and design work, there are clear deliverables in the three main areas that the TSEF would fund. We will therefore establish clear milestones against the interim and final deliverables with the major overall output being an investor-ready business plan for development of the Weisdale site and the delivery of the initiatives from the partnership of creative spaces and places. These components will all be outlined in detail in the delivery briefs at the start of a TSEF-funded phase and will be detailed at both high and low-level so that all stakeholders receive their requisite information.

Further to this project monitoring process which is part of our own project management competency, SADA is engaged with [Mission Models Money](#) (MMM) as our learning and evaluation partner on this work. MMM is a national change programme supported by The Scottish Arts Council and others which explores how 21st century cultural organisations can develop greater resilience in the face of changing economic, technological and social environments. MMM has supported the preparation of this proposal and two other consortia proposals as part of its groundbreaking work in developing and promoting new approaches to greater financial resilience in the arts and cultural sector in Scotland. Should this proposal be successful, MMM plans to continue working with each of the three consortia offering learning and evaluation support as we move towards our larger goal of attracting investment from Scottish Investment Fund. This will include the formation of an action learning-set for the three consortia for sharing and solving issues that arise in the course of the project.

Led by the [MMM Directors](#) and MMM Associate and highly experienced third sector consultant [Margaret Bolton](#), MMM will investigate and report the learning gained in the areas of innovation and collaboration. Using a methodology based on structured interviews this approach will not only be invaluable learning for us as an organisation but will also be shared as a case study with the wider sector through the extensive MMM network. That same network also has access to skills and expertise that we can call on for our operational work and MMM will also support us at the start of the work in project planning, developing monitoring frameworks and funder report templates and timetables.

Third Sector Enterprise Fund – Application Form

Q3: How will you take forward the changes you have made when Scottish Government funding comes to an end?

As outlined above, the major output of the TSEF funding would be a investment-ready proposition to the Scottish Investment Fund for the full implementation the development work described above. The TSEF work will therefore play the key initial role in the development of Shetlands as an international hub for creative professionals.

Third Sector Enterprise Fund – Application Form

Checklist

Please check the boxes using “X” confirming you have included the following:

- ☒ A copy of the governing documents adopted by your organisation (constitution, memorandum and articles of association etc)
- ☒ Your most recent audited accounts, or independently signed statement of income and expenditure. These accounts should be no older than financial year 2007-08.
- ☒ Your most recent annual report
- ☒ A copy of your equality and diversity policy
- ☐ A copy of a business plan relevant to your proposal (if applying for £70,000 or more)

If any of the above documents are unavailable please provide reasons for this and tell us when they will be available.

Notes

- This proposal is less than £70,000 so no business plan submitted
- Two letters are also enclosed as evidence of partner support
- Also enclosed is a more detailed budget overview than the provided format allows together with a high-level activity timeline
- Shetland Arts produces biennial rather than annual reports, therefore the latest is attached and covers 2006-08
- For convenience, our trust document is made available as a scanned PDF. Please contact us should you require a hard copy

Third Sector Enterprise Fund – Application Form

Declaration

I apply on behalf of the organisation named above for a grant as proposed in this application and in respect of expenditure to be incurred over the proposed funding period on the activities described above.

I certify that, to the best of my knowledge and belief, the statements made by me in this application are true and the information provided is correct.

Name

Position

Gwilym Gibbons

Director

Date

09/11/2009

Please email your application form and all supporting documentation to:

enterprisefund@scotland.gsi.gov.uk

If your supporting documentation is not available electronically, please hard copies to the address below clearly stating what they refer to:

Enterprise Fund Administrator
Scottish Government
Third Sector Division
Mail Point 21
Area 3H-Bridge
Victoria Quay
Edinburgh
EH6 6QQ

SCOTTISH GOVERNMENT 15 NATIONAL OUTCOMES

1. We live in a Scotland that is the most attractive place for doing business in Europe.
2. We realise our full economic potential with more and better employment opportunities for our people.
3. We are better educated, more skilled and more successful, renowned for our research and innovation.
4. Our young people are successful learners, confident individuals, effective contributors and responsible citizens.
5. Our children have the best start in life and are ready to succeed.
6. We live longer, healthier lives.
7. We have tackled the significant inequalities in Scottish society.
8. We have improved the life chances for children, young people and families at risk.
9. We live our lives safe from crime, disorder and danger.
10. We live in well-designed, sustainable places where we are able to access the amenities and services we need.
11. We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.
12. We value and enjoy our built and natural environment and protect it and enhance it for future generations.
13. We take pride in a strong, fair and inclusive national identity.
14. We reduce the local and global environmental impact of our consumption and production.
15. Our public services are high quality, continually improving, efficient and responsive to local people's needs.

TENDER BRIEF

Version no: 1.0
Date: 12/02/10
Status: Final draft

Creative Financing – a new fund supporting small scale creative activity in Scotland

Introduction

This brief is for a study examining the feasibility of establishing a new fund to finance small scale creative activity in Scotland. The intention is to meet the financing needs of individuals and micro enterprises with 5 or fewer core employees, members or co-workers¹. The working title for the new initiative is creative financing.

Our starting point is that the study will examine likely demand for financing across the spectrum of arts activity but respondents to the brief should consider whether there might be merit in focusing on particular art forms for example, film, multi media, the visual arts and crafts, music and literature because they are likely to provide more of a market for such an initiative than the performing arts.

We would envisage, based on the work we have undertaken so far, that creative financing might provide small loans of between £100 and £5,000 in the form of:

- personal loans to artists (for example to frame their work or as matching for grants);
- loans to creative co-ops to enable them to expand/develop;
- start up loans or quasi equity for the creation of new creative co-ops;
- loans or quasi equity to creative micro enterprises (businesses with 5 or less employees) looking to develop new products/services.
- any other needs identified during the study period

The proposal is that creative financing would focus on fundraising and marketing with loan book management delivered by an existing specialist organisation. We consider that a distinct arts brand is necessary to support fundraising and marketing efforts. Marketing efforts will include work within the arts community to promote appropriate demand for financing and to increase financial literacy.

Shetland Arts is commissioning this study on behalf of a steering group of organisations from the arts community in Scotland. The commissioning process is being overseen by a commissioning group which comprises the funders together with Shetland Arts. MMM is acting as secretariat (Annex 1).

This paper:

- explains the background to the study;
- provides an outline of expected content;

¹ Including demand from rural areas in Scotland

- sets out the information required from those bidding for the work;
- explains the process for selection and the selection criteria.

Background

Shetland Arts developed the proposition that there was a market for the establishment of a new mechanism to help small scale creatives access funds to support their work based on its work with individual artists and micro enterprises in Shetland (annex 2). This proposition was discussed with MMM which offered to use some of its budget to gauge support in the wider arts and cultural community in Scotland. MMM produced a briefing considering appropriate structures for a new financing mechanism in Scotland (annex 3 and convened a meeting with a number of key players (see annex 4 for the note of the meeting). The meeting consensus was that there was a clear need for a number of arts funds with different purposes which might attract a variety of different funders and investors. While the plan over time will be to develop other funds which respond to the financing needs of a broader spectrum of cultural and creative activity, it was agreed that the immediate priority is for a fund supporting individuals and micro enterprises with 5 or fewer staff.

The content of the study

The feasibility study should cover three main areas (NB these areas overlap to some extent, this should be borne in mind in developing a methodology for the study):

1. The likely demand for finance

What are the non grant financing needs of small scale creative activity in Scotland? What sorts of small scale creative activity requires financing? What sort of financing is required for this activity (low interest loans, unsecured loans, loans with repayment holidays, quasi equity)? What sort of projects might be supported and how capable are such projects of generating appropriate revenue streams to service repayment?

We would expect those undertaking the study to provide an analysis of the existing evidence base and to explain how they would supplement this with targeted research aimed at extending both current understanding and analysis of these questions. On the basis of this research we would expect:

- proposals to be developed about the nature of the fund/funds that need to be established;
- projections to be prepared on demand for financing and repayment rates and administrative costs (a number of the questions under 2 below are also relevant to this analysis);
- proposals to be developed on how to make the fund/funds viable within a five year period (again, a number of the questions under 2 and 3 below are relevant to this analysis).

2. The supply of finance

There are organisations which already provide financing to arts organisations for example, mainstream banks and specialist lenders including Triodos and Social

Investment Scotland. To what extent is small scale creative activity being financed by such organisations in Scotland and where are the gaps that need to be filled?

Money will need to be raised/borrowed both for investment and to meet the administrative cost of the fund/funds. What are the likely sources of this funding/financing? Might public sector funders be prepared to contribute towards the set up costs? Are there foundations or individuals who might have an interest in providing grants, low or no interest loans or patient capital (loans with a long period for repayment or offering repayment holidays)? What new sources might be tapped for either loans or grants for example, successful creative entrepreneurs, successful mid sized creative ventures? Might the unions for creatives and large employers like Creative Scotland or BBC Scotland promote investment in the initiative by their members and employees. Might bonds, perhaps issued in collaboration with a mainstream financial institution, be used to help finance the fund (in New York bonds support the capital spend of some key arts organisations).

We would expect those undertaking the study to provide:

- a competitor/collaborator analysis;
- an analysis of the extent to which small scale creative activity is being supported by other sources of financing and where and how the fund proposed might add value;
- an analysis of possible sources of funding/financing for the fund;
- a consideration of whether it would be worth exploring bonds or other alternative ways of helping finance the fund/funds (some of the questions considered in section 3 below are relevant here).

3. Developing concrete plans

We would expect those undertaking the study to make recommendations on:

- legal form (see paper at annex 2);
- sourcing the necessary funding and/or financing;
- management of the loan book and
- accessing other necessary expertise.

And, any other issues identified by those bidding for this work, likely to make a significant contribution to the success or otherwise of the venture.

Also, we would expect those undertaking the study to map a trajectory for the development of creative financing and its funds over a one year, three year and five year period, setting out some key strategic milestones.

Budget and reporting requirements

A budget of 28k (including expenses, VAT etc) is available for this work.

It is proposed that the individual/team winning the contract will report on a regular basis to Clare Cooper (MMM) who is managing the contract on behalf of the Commissioning Group. They will also present to the commissioning group at key points during the progress of the work and to the steering group on its completion. Detailed reporting

arrangements will be negotiated with the selected bidder and will form part of the contract for the work.

Information required from bidders

Those bidding for this work are asked to submit the following information (incomplete bids are likely to be excluded from consideration):

1. A proposed methodology for completion of the study.
2. An analysis of likely key issues/challenges and how they will be addressed.
3. A timeline for the study indicating the deadline dates for deliverables.
4. A project budget indicating day rates for personnel and the number of days to be spent on different elements of the work.
5. The names of the individuals it is proposed would contribute to the work and a description of their roles.
6. Short biographies for all proposed personnel.
7. A short statement of why you are the best individual/team to undertake this study.
8. The names and contact details for two referees with an explanation of their appropriateness to comment on your suitability for this project (these should be individuals who can comment on your capacity to undertake a piece of work of this scale and complexity, your ability to meet deadlines and to formulate feasible plans).

The criteria for shortlisting bids will be as follows:

1. Demonstrable relevant skills and experience (research, financial modelling, an understanding of the arts and cultural sector, an understanding of financing and its sources, an understanding of financing models, experience in undertaking similarly complex studies of this kind, high level project planning skills). Can the individual/team demonstrate that they have the skills/experience to undertake all aspects of the brief to a high standard?
2. The robustness of the methodology - Has the individual/team added to/developed/challenged the brief in a way that demonstrates an appropriate degree of rigour?
3. Does the individual and team demonstrate knowledge and understanding of the issues and challenges likely to arise in this project?
4. Does the budget proposed represent good value for money?

Selection process and timetable [TBC following confirmation of funding]

1. Request for bids sent out - deadline for submissions x
2. Bidders informed whether they are invited for interview - x
3. Interviews
4. Successful bidder informed – x
5. Briefing for the project - x
6. Research starts – x

Appendices

1. Membership and roles of Steering and Commissioning Groups
2. Shetland Arts original proposition for small scale creative finance
3. MMM Creative Union briefing document
4. Note of Creative Finance meeting 12 November 2009

ANNEX 1

Creative Finance Steering Group

Role: To support and guide the development of the Creative Finance Project as sounding board for this development. Considering proposed, structures, delivery mechanisms and culture of such a service/ organisation.

Members:

Gwilym Gibbons	Shetland Arts Development Agency
Hazel Hughson	Shetland Arts Development Agency
Clive Gillman	Dundee Contemporary Arts
Jon Morgan	Federation of Scottish Theatre
Robert Livingston	Hi-Arts
Margaret Bolton	MMM
Clare Cooper	MMM
Chris Biddlecombe	Scottish Artists Union
Scottish Arts Council	Helen Bennett
Ben Spencer	VAGA
David Cook	WASPS

Creative Finance Study Commissioning Group

Role: On behalf of Shetland Arts and the Steering Group help select and monitor progress of the consultant activity in response to the above brief.

Members (TBC):

Gwilym Gibbons	Shetland Arts
Clare Cooper	MMM
Helen Bennet (TBC)	Scottish Arts Council
Chris Biddlecombe (TBC)	Scottish Artists Union

Proposal: A Credit Union for the Arts



Date: Friday 1 May 2009

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1. Summary

Shetland Arts has for sometime been considering ways it can help small-scale creatives access funds for creative projects. Exploration of a range of solutions has led to this proposal to set up a Credit Union for the Arts. The idea was born out of discussions with artists who expressed a need for small amounts of capital to get projects underway or realise the full value of a piece of creative work. For example: funds for an artist to professionally frame their work, not just adding value to the piece but also keeping control of the final product; a request from a double bass player who needed new strings but couldn't raise the £200 required and as a result couldn't play any gigs to raise the money. We also noted the range of grants that require a 50% contribution from the artist, grants which could be unlocked for many who just don't have the initial financial outlay.

A Credit Union for the Arts would be a structure that creative people can join as members, a place that creative loans can be made by those who understand creative needs and funded by a membership of creatives with shared understanding and values.

Shetland Arts believes that an additional key benefit of a Credit Union for the Arts is how it places power back in the hands of individual artists and can be used as part of a funding mix.

2. Outline business case

1) There is limited and decreasing opportunity for creative people to financially support development of creative projects which are often seen as risky for conventional financial routes. This is due to the inaccessibility and inappropriateness of existing loan/equity funds as uninsured, longer term investments. A credit union can provide creative financial services where the deposits are used to benefit the artist cooperative community. Creating this possibility greatly increases the potential financial support.

2) Limited financing makes capital intensive creative startups effectively impossible. As a result most new businesses choose a corporate model. A credit union can provide additional debt financing for creative cooperatives. The credit union might provide business loans exclusively to creative coops, personal artist loans for members' capital contributions, as well as general artist lending.

3) A credit union can fund entrepreneurial activities to develop and reproduce creative coops. This would provide a way to finance the cost of expanding employment opportunities and socialise that cost among credit union members. The credit union would promote a self-financing approach towards development.

3. Background to Credit Unions

A credit union is a financial co-operative. It is owned and controlled by its members. It is run for the benefit of its members through volunteer boards of directors. A credit union offers a cost-effective financial service which is particularly suited to low income groups and is therefore socially inclusive. As local mutual financial institutions, run on similar lines to traditional building societies, credit unions aim to:

- Create sources of credit at reasonable rates for members
- Promote savings
- Provide an alternative to 'loan sharks' for accessing loans.

Shetland Arts believes that for a Credit Union for the Arts to be sustainable it needs to develop a membership of at least 5,000 members. This means that any such scheme would have to cover a geographical area of at least the Highland and Islands or the whole of Scotland. The legal aspects of geographic spread would need to be ascertained through the feasibility study and discussion with the Financial Services Authority.

It is envisaged that given the geographic spread some form of online banking would be required through a network of trusted trained intermediaries – possibly the established 'Foundation Funded' arts organisations. This would also enable the base for such a Credit Union to be anywhere within Scotland. Shetland Arts sees such a development as a potential employment opportunity for Shetland and other outlying communities.

4. Suggested way forward

Establish a cross agency project steering group to develop the proposal and commission a feasibility study. Suggested membership of the steering group to include:

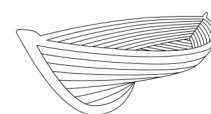
- Scottish Arts Council and Scottish Screen (Creative Scotland)
- Mission Models Money
- Shetland Arts
- Scottish Government
- The Association of British Credit Unions

Draft feasibility and project development process:

- Evaluate the potential for a sustainable creative credit union for Scotland
- Identify, recruit and gain commitment from national stakeholders
- Establish the legal and operational framework of a Credit Union for the Arts
- Identify and recruit local/ regional stakeholders
- Confirm support of key local authorities and national agencies in Scotland
- Gain agreement from local/ regional/ national creative sponsors that employees can be members of the credit union
- Produce a business plan with agreed actions, time scales and resources
- Satisfy the requirements of the Association of British Credit Unions and the FSA.

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Shetland *arts*

Creative Union

examining appropriate mechanisms
that could help finance small-scale
creative projects in Scotland

An MMM Briefing

Mission Models Money www.missionmodelsmoney.org.uk
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Introduction

Shetland Arts Development Agency's overall proposition is that there is a market for the establishment of a new mechanism 'to help small-scale creatives access funds for the development and growth of creative projects' providing:

- small personal loans to artists (for example to frame their work or as leverage for grants);
- business loans to creative co-ops to enable them to expand/develop;
- start up loans for the creation of new creative co-ops;
- loans to creative micro enterprises (businesses with 10 or less employees) looking to develop new products/services.

The intention is to help finance small-scale creative projects across the full range of activity encompassed by the arts and creative industries.

This briefing note, prepared by MMM for the Shetland Arts Development Agency, considers mechanisms that could be used to achieve this end. It concludes that feasible options are either a credit union or a community development finance institution (CDFI) and it favours the latter.

However, two other mechanisms: co-operative lending societies and peer to peer finance businesses are also included because they are interesting examples of new approaches in personal financing and provide learning about aspects of such ventures.

(NB In some instances these mechanisms have the same or overlapping legal structures for example, a co-operative society may be both a bank and a credit union and be regulated as both, while a CDFI may be both a bank and a charity and regulated as both. For each of the mechanisms described, peer to peer finance businesses aside, there is at least one specialist umbrella body that advises and supports on establishment and growth).

Credit Unions

Credit unions have a long tradition in the UK. Their ethos is to encourage saving, or thrift, amongst those with limited financial means. They are regarded as an important means of providing people in low-income communities with access to low cost credit thereby helping to protect them from loan sharks. They are membership organisations and there is a requirement for a common bond, members must live in the same geographical area or work for the same employer or industry or both together. The common bond is regarded as helping to keep default rates low. Loans were previously provided on the basis of the savings made but more commonly now an income assessment is used. Credit unions have to be approved and registered by and are regulated by the Financial Services Authority. There are stringent requirements for example, on such matters as liquidity.

Credit unions are regarded as self financing mechanisms but in some instances funding can be accessed from the public sector or other sources to help meet set up costs and to help credit unions grow and develop (see the last section for more information about financing for the different mechanisms discussed and also annex 1 which provides information about funding sources for credit unions). The Association of British Credit Unions (ABCUL) provides the following estimates on costs:

- £100,000 for development
- £70,000 a year core costs for the first three years
- £225,000 for the first eight years to cover the likely capital shortfall.

The perceived pros and cons of this mechanism and an assessment of the scale of the challenge for a group seeking to set one up are set out below. **Key success factors** for credit unions are perceived to be:

- Getting the common bond right i.e. it needs to be broad enough to encompass people on higher as well as lower incomes and also narrow enough to ensure that there is 'common cause' between the members.
- Basing the membership around particular employers or employer groupings helps with sustainability since savings can be made through payroll deductions.
- Effective marketing to people who might have an interest.
- Strong leadership.
- Sponsorship to help meet set up costs and to help the credit union to grow.
- Financial sustainability has to be the main objective and a strong business plan has to underpin this.
-

Examples worthy of note:

Scot West is the biggest credit union in Scotland with well over 20,000 members. It started as a credit union for employees of Strathclyde Council but now has employees from a range of organisations in membership. These employers promote the credit union as an employee benefit. ScotWest provides current accounts and cash ISAs. It offers services over the phone and on-line.

The Scottish Council for Voluntary Organisations has set up a credit union for the employees and volunteers of voluntary organisations in Scotland.

According to ABCUL, in 2000 a feasibility study was undertaken for a community credit union for people who live and work in Shetland. Recently renewed interest has been shown in taking the idea forward.

There are no credit unions in the UK focused on the creative industries but a number in the US. For more information see annex 2.

Future opportunities:

The rules governing credit unions are likely to change shortly. ABCUL believes that a regulatory reform order will be passed next year allowing credit unions to extend their common bonds. This would mean that an existing strong credit union for example, ScotWest would be able to set up a specific fund to support small-scale creative enterprise.

Pros	Cons
An established form with clear regulatory rules.	The regulatory regime is onerous because credit unions take deposits
The Association of British Credit Unions (ABCUL) provides significant advice and support with set up including membership of a study group.	The process of setting up and achieving approval from the FSA is described as timeconsuming and difficult.
Has the ambition to address financial exclusion.	Commentators suggest that this model doesn't really cater to the needs of the most financially excluded groups. If you are unable to save for a rainy day, will you be able to pay back a loan?
Their membership basis is very attractive. (There is some tradition of charitable credit unions which make personal loans beyond the membership but this is fairly rare).	Commentators suggest that it can be difficult to establish a common bond between groups that are more dispersed than particular local communities or groups working in one focused industry for example, transport
There are some established funding sources for the growth and development of credit unions (see annex 1).	Achieving funding for set up and to demonstrate the liquidity that the FSA requires over the first few years may be extremely challenging. The perception is that it is also difficult to grow credit unions.
	Credit unions focus on personal rather than business lending.

Challenges:

- Substantial start up funding would be required.
- Significant work over a sustained period is required to meet regulatory requirements.
- A membership of 'small scale creatives' alone would probably not leverage enough income to achieve sustainability. Defining an operable common bond would require significant work.
- Significant effort would be required to get the membership to a sustainable level.

Community development finance institutions (CDFI)

CDFIs are a relatively recent import from the United States where the movement has become very strong and successful over recent years. Their remit is to lend into financially excluded communities. They typically offer small loans to individuals and small businesses. Specialism is common for example, some focus on personal finance, others on lending to charities or other social enterprises.

The movement as a whole is perceived as focused on lending to small businesses including social enterprises although material published by the Community Development Finance Association (CDFA) indicates that they continue to have a role as a personal lender. They describe micro enterprises as their most significant market. Average loan rates in 2007 were £8,520 for micro enterprises and £632 for loans to individuals.

CDFIs typically do not take deposits hence their regulation is not as onerous as that for credit unions. The Community Development Association (CDFA) says:

CDFA's have developed in the context of a system of 'benign neglect'. The advantages have been easier start up conditions for new CDFIs and room for CDFIs to innovate and experiment.

There is however, a system of accreditation for CDFI's providing loans to 'enterprises in disadvantaged communities' who wish investors to be eligible for a tax credit on their investment. Previously a fund called the Phoenix Fund supported the development of new CDFIs but this ceased in 2006. It is understood that the Department of Work and Pensions is exploring the possibility of helping to establish a CDFI in the North East because it wants to make affordable credit available across the region but it does not think it will be able to influence the existing credit unions to help them grow.

CDFIs seek grants and obtain loans (often on preferential rates) and other investment to carry out their work. Interest on loans and any other fees charged provides them with revenue.

CDFIs take a variety of legal forms. Some are charities. Charity Bank is both a charity and a bank (it takes deposits). It was the first charitable organisation to receive a banking license.

No information could be found about the likely costs of establishing and running a CDFI in its first few years. However, without significant subsidy, at least at the beginning, it seems unlikely that a new CDFI to support small-scale creative enterprise would survive and prosper.

The perceived pros and cons of this mechanism are set out below.

Examples of note:

Scotcash is the only CDFI providing personal lending in Scotland. It was launched in January 2007. It provides personal loans, starting from £50, to financially excluded people.

Charity Bank is a CDFI, which offers loans to charities and other voluntary organisations. It has provided loans to arts and cultural organisations and has a specific section on its website which publicises these loans and aims to attract new business from this sector.

Venturesome is another CDFI, which provides loans, and other financing, to support charitable work. It seeks to support riskier projects unlikely to be financed by Charity Bank. It has partnered with MMM in developing plans for a new pilot financing initiative for arts and cultural organisations.

An opportunity?

A collaboration might be developed with an existing CDFI in Scotland to develop a loan fund for small-scale creative enterprise.

Pros	Cons
Regulation is less onerous since CDFIs are not able to take deposits. CDFIs join the Community Development Finance Association (CDFA) and adhere to its code of practice. This has been agreed with the FSA as an appropriate framework for CDFIs to operate within.	There's less clarity about what is required. However, the European Commission is looking at this issue. In January this year it stated the need for an EU wide regulatory framework for non- bank providers of micro credit, defining them as non- deposit takers with the ability to on lend: 'There should be harmonised, risk based rules on authorisation and supervision'.
The form is perceived as allowing greater flexibility in operation and innovation.	Does not have the same membership basis and is not owned by its members.
The CDFA provides advice and guidance on getting started.	
The form appears to offer flexibility in terms of funding/financing sources. Some CDFIs have managed to raise a mix of financing in the form of grants and loans from a range of sources including high net worth individuals, foundations and the private sector.	
CDFIs offer loans to individuals and small businesses.	

Challenges:

This option presents less of a challenge than the first because:

- Less financing would need to be raised before a small-scale pilot might be developed.
- Set up would be less onerous, particularly if the initiative was developed in partnership with an existing CDFI with established expertise and procedures in place for making small loans.
- It is possible for CDFIs, although their goal is sustainability, to focus on high-risk areas or target groups.
- The flexibility and innovation offered by this mechanism perhaps makes it easier to establish relationships with foundations or high net worth individuals willing to offer grants or loans at a preferential rate.

A disadvantage is that CDFIs, unlike credit unions, are not membership based and not owned by their members.

The two examples, which follow, are included because they are interesting examples of new approaches in personal financing and provide learning about aspects of such ventures.

Co-operative lending societies

Co-operative lending societies are part of the co-operative movement. Co-ops, like credit unions, belong to their members. Like credit unions they are often established by people who live in the same area or share a profession or common interest.

The bigger co-operative banks generally provide their members with a range of services including taking loans, deposits and current accounts. They tend to seek to provide banking access in geographical areas or in markets where other banks are not present for example, to farmers in rural areas or to small and medium sized enterprises. They are regulated by the FSA both as banks and under the credit union legislation.

Co-operative lending societies are not co-operative banks. They do not take deposits but they seek investment from members in order to be able to lend. The example that we highlight Shared Interest (see below) is focused on raising investment from the developed world to offer micro credit to the developing world.

The co-operative lending society might be characterised as a hybrid form, bringing together aspects of the credit union and aspects of the CDFI.

A notable example:

Shared Interest is a co-operative lending society that is part of the fair trade movement. It provides finance to producers in Africa and other continents to help them buy raw materials and tools. It has over 8,700 investors who have invested over £24 million to enable it to make finance available to fair trade producers. Considerable effort and thought has been invested in marketing to build the investor base.

Pros	Cons
Not regulated by the FSA because deposits are not taken. 'Shared Interest operates in the high risk micro credit arena'.	Its novel form again probably means there's a lack of clarity about what's required.
Member ownership.	
	The form is not as familiar as credit unions or CDFIs.
The model has proved attractive to investors.	
An agency called Co-operative Development Scotland provides advice and support on set up.	It isn't clear that Co-operative Development Scotland has a specialism in supporting financial co-ops.

Challenges:

- In this case there is no opportunity to work with an existing organisation and benefit from their expertise.
- The form is novel and therefore may present more challenges for example, it may be more difficult to access the right advice and support.
- Shared Interest has been very successful in part because it has a clearly defined niche. An equally clear and attractive proposition needs to be developed for this initiative.

Peer to peer finance

A number of businesses have started to emerge which use the internet to promote collective action, providing a mechanism to link people who need to borrow money with those willing to lend it. Some put borrowers and lenders into direct contact, (see http://www.wirralglobe.co.uk/news/1006718.bidding_for_a_part_in_fionas_film/) others run auctions, while others group investments into bands, making the process anonymous. These businesses charge fees to borrowers and lenders and some also receive an income from offering payment protection insurance.

There are now estimated to be over 30 companies active in this field in a number of countries including the UK, US, Germany, Holland, Italy, France, Sweden and Japan. Their growth is likely to continue during the downturn because they tend to offer a higher rate of return than traditional banks (ranging from between 5 and 10 per cent). However, they are regarded as potentially risky investments as some services offer no insurance against default.

Another related innovation is collective investment schemes for example, collective investment into music and film production, as well as schemes to collectively 'buy a football club', such as MyFootballClub, which brought 50 people together.

The box below provides thumbnail sketches of a couple of examples: Zopa (UK based) and Prospect (based in the US). Another example is Kiva, which enables people in the developed world to lend to entrepreneurs in the developing world. So far it has funded \$57.9 million worth of loans.

Zopa and Prospect

Zopa allows people to borrow from £1 to £15,000. Borrowers are credit checked and risk assessed and assigned to a category. Lenders choose which category they want to lend into. If people lend they see the names of their borrowers on their statements but not contact details. It endeavours to create a community spirit by providing a discussion board, a blog and a member story on its website. It has provided around £32 m worth of loans.

Prospect describes itself as the e-bay of personal finance. Prospective borrowers register with the site and the company reviews their credit history. They then post a loan request of up to \$25, 000 along with an upper limit for the amount of interest they are willing to pay. If sufficient lenders bid enough money to finance the loan at a single rate acceptable to the borrower, the money is transferred to the borrower's account and a monthly repayment is set up. Lenders deposit money and either review the loan requests individually or fill out a form permitting the allocation of money to borrowers who meet certain criteria. Loans can be fully funded by one person, so it is possible to lend an individual up to \$25,000 (in Zopa the limit is just £200). As a result there is much more interaction between lenders and borrowers. Members can join an appropriate 'group', based around common interests. These are 'a way for tightly affiliated communities to help their members through person to person lending.' Prosper has over 830 members and \$178 million in loans to date. **NB** as of August 2008, approximately 18.5 per cent of all money loaned on Prosper from its inception through to June 2008 is in some form of delinquency.

Pros	Cons
Such initiatives are not heavily regulated. They have previously been too small to appear on the radar of regulators...although that appears to be changing; the US Securities and Exchange Commission has started to investigate Prospect. New peer-to-peer finance schemes in the UK are working with the FSA to ensure that they conform to appropriate standards.
	The model is a purely commercial one – the less credit worthy pay more for their lending.
The peer to peer and peer pressure element, which is strong in some of these businesses.	

Challenges:

- A purely commercial model, offering high rates of interest for high-risk loans, is unlikely to work in this instance.
- Significant private investment would be required to get such a scheme up and running.
- The credibility of such schemes has been undermined by the SEC's investigation of Prospect and the legal cases pending against it.

Summary

The most feasible mechanism for our purposes appears to be either a credit union or a CDFI. On balance the CDFI mechanism is recommended because it enables greater flexibility and innovation. However, a disadvantage is that members do not own the fund. One possible way forward is to work with an existing CDFI to set up an arts fund.

Co-operative lending societies and peer-to-peer finance businesses, while not offering a feasible model, may provide useful learning for example, Shared Interest's work on attracting investors and Prosper's use of interest groups.

Margaret Bolton/Clare Cooper
MMM
September 2009

Annex 1

Funding sources for credit unions

Local government

Local authorities sometimes provide funding for credit unions generally as means of addressing financial exclusion in the poorest areas. A source of local authority funding which might be used to support credit unions during the current funding round is the Fairer Scotland Fund, which values £435m.

UK government

The Growth Fund supports Scottish based credit unions and other third sector lenders. It provides capital for small loans (typically under £400) to the financially excluded. Between 2006 and 2009, £4.262m was allocated from the Growth Fund to Scottish credit unions. Credit unions must tender for a Growth Fund contract, so far only eight have been awarded to credit unions in Scotland.

Scottish Executive

Since 2008, credit unions have been able to apply to the Scottish Investment Fund, a £30m fund, and the Third Sector Enterprise Fund, which is worth £12m. No ring-fenced funding existed, until the Credit Union Fund was announced in January 2009, which is worth £250,000 over 2008–09 to 2010–2011, to help credit unions “grow and weather the global downturn”

Other sources:

Highlands and Islands Enterprise have funded credit unions in the past.

The Lloyds TSB Foundation for Scotland supported the West Lothian Credit Union Forum with a small grant.

BIG have recently given a grant of around £250k to help establish the first credit union in Angus.

NB Some of these funding sources might also support other mechanisms which meet the objectives of the fund/funder for example, The Growth Fund support credit unions and other third sector lenders including CDFIs.

Annex 2

US examples of credit unions for the creative industries

Communicating Arts Credit Union: <http://www.cacu.org/> is a member-owned, not-for-profit financial institution. Their mission is to make available quality financial services at a reasonable cost to members so as to provide for their financial needs. Communicating Arts Credit Union provides savings, loans, and other consumer financial services to its members/owners. Started in 1940 by employees of The Cincinnati Post, membership now includes employees of more than 100 sponsor companies. Anyone engaged in Printing, Publishing, Broadcasting, Advertising, Graphic Art, Design, Music, Fine Art, Visual Art, Photography, or Performance Art, may become a member/owner. Relatives of members, or potential members, are also able to join

Artist Community Federal Credit Union <http://www.artistscommunityfcu.org/home.html> provides financial services to artists and art organisations in the New York area. Founded in 1987, the Artists Community Federal Credit Union (ACFCU) offers a variety of financial services, including investment and credit programs, to member artists, arts workers and non-profit arts organisations in New York City, New York State and the metropolitan region. Governed by a member- elected Board of Directors, the ACFCU is a federally insured financial cooperative owned and controlled by its members. The ACFCU has attracted over 1,000 members and has extended over \$20 million in loans to the arts community. Among the services offered are:

- Checking Accounts
- Savings Accounts
- Investment Accounts: CD, IRA, Money Market
- Online Access
- Free ATM Checking Withdrawals
- Loans

We found a number of other examples including:

The Actors Federal Credit Union for the benefit of the members of Actors' Equity Association. Paid-up members of Equity, SAG, AFTRA, or a member in good standing of any of AEA's component organisations are eligible.

AFTRA SAG Federal Credit Union - financial services for members of the entertainment community and household/family members in the Los Angeles area. Branches in Los Angeles, Hollywood, and Studio City.

American Society of Composers, Authors and Publishers (ASCAP) Credit Union

First Financial Credit Union is owned and operated by the Chicago Artists Coalition.

Interguild Credit Union says that it serves the interests of the entertainment community.



**‘Creative Union?’ meeting 12th November 2009 at The Scottish Arts Council
Record of some of the key points made.**

Gwilym Gibbons
Clare Cooper
Margaret Bolton
Clive Gillman
Jon Morgan
Robyn Marsack
David Cook
Helen Bennett
Ben Spencer
Robert Livingstone
Laura Hunter

Introduction

GG - credit union model might not be the one - none of them might be - maybe it's a brand new model we could invent? We don't need to work within existing restraints. Does not need to be small amounts of money either

Qu. 1: Is there a need?

Laura - is a self employed artists and is self funded and yes - a wee bit of money would be a help - if you know you can get your exhibition framed and that you recoup the money from that then it would be attractive for her as a self-employed artist

David - has been trying to get this conversation going for a decade - yes that need has been clear for some time and, like Gwilym, he has plenty of examples of need.

Robert - is it just about individuals tho'? Needs to be small scale organisations too and he has examples to back up this need too.

Jon - such a fund could act as cash flow management for EU funded projects.

Helen - agrees - EU can sometimes take x2 years - one organisation she knows of was nearly bankrupted by their payment schedule.

Jon - the idea that such a fund could offer match funding idea is a good one too - that could help CS bids in the future.

David - there is a need for both organisations small and large for non-grant funding but solution may not be the same for both - what are the gaps that will not be filled by others as well as getting those existing financial providers who offer this kind of funding to connect?

Laura - if it is restricted to individual artists it would be difficult to get off the ground. Needs critical mass

Clive - with his DCC Cultural Strategy hat on as well as his DCA hat - seems to be x2 things - one is unsecured loans, and the second is low cost loans focused on the needs of the cultural sector.

Robert - guarantee against loss is another form of instrument that such a fund could offer.

David - 'common bond' psychology plays out in the risk management of unsecured loans

Clive - exactly where is the risk? We would need to understand that spectrum better.

Gwilym - is there is consensus that there is a need? Group - Yes. Devolved schemes could be a good place to gather evidence on whether a loan could have been used instead - could also be examined for non-developmental loans - cash flow loans e.g.

Robert - grant schemes are focused on artistic quality - would that be the yard stick here or would it be about ability to pay back the loan?

Robyn - ability to pay much more easy to manage

What should the remit be?

Gwilym - some of this is to do with natural communities and this idea of a common bond

Ben - is it a residency test or could others who want to do something in Scotland also be eligible"

Clive - could it be cellular/ a Dundee cell or and Aberdeen cell e.g.?

Robert - as long as cells were porous and not tied to LA boundaries. We want to avoid a postcode lottery

Robyn - one advantage is that it is de-siloing - you don't need to identify yourself as an artist or a poet although cells could be artform related too

Robert - The Hotel Dressing Gown scenario

Gwilym - The local delivery mechanism could be as local as it needs

Marg - cells of specialist organisations and networks marketing to the sector but with a back office function offered by a specialist provider such as an existing CDFI

David - the back office function could be connected to a local community specialist

Clive - Devolution of decision making to local cells could also be interesting

Clive - are the 4 models the only ones we can use?

Marg - increasingly people are setting up hybrid structures - the downside of creating hybridity is the legal fees to check where you are and what you can do. Her preference at the moment is for a CDFI not least because it can draw funds from a range of sources.

Jon - CDFI also favoured - because the big question is - where is the money coming from?

David - credit union tends to be more suited to the individual. He would personally be up for banking with an outfit that offered a managed fund for the arts

Robert - link is not between artists and artists but between wider community and artists - get a fundraising campaign going from individuals thru' e.g. an extra £1 on a ticket.

Gwilym - how do you ensure that it doesn't end up being like another tax - and therefore another kind of grant?

David - how do we make sure that it is not administrative cumbersome?

Jon - agrees with David re the potential of individuals and organisations moving their money to an outfit committed to offering a dedicated managed fund for the arts.

David - saving aspect important - we should team up with an existing structure

Robert - irony of own art model where the purchaser get an interest free fund but the maker does not.

David - Suggested title for the managed fund - 'MAKE ART' . Its worth bearing in mind that SIF offers risk capital, strategic investment and loan

Marg - needs to be specialist funds - that helps the fundraising

Marg - One example is The Arts Fund - set up from small endowment form NZ arts council - they cultivate HNI's to get their legacy

Robyn - we've strayed some way from the poet who needs to get to the book festival

Marg - if its for small scale creatives that are for profit as well as non-profit?

Robert - Yes, but worth bearing in mind that at the moment CS will only fund certain kinds of set ups

Clare - may be more than one answer to this - doesn't have to be a one size fits all fund

Clive - if we are harnessing the idea of focusing this on nonprofit arts and putting a £1 on the sale of a ticket, quality is going to have to come into this

Ben - focusing on the cash flow need rather than developmental issues might get over this?

Gwilym - Clive - what does that look like?

Clive - Gilbert and Sullivan - it's the link between the fundraising and the quality

David - should not couple too much the gathering in and the giving out... if fundraising effort attaches a certain kind of quality then that would be an issue.

Clare - whatever gets developed we must not underestimate the necessity for capacity building and the need to fund capacity building

Gwilym - What is the offer? We've spoken about small loans?

Ben - like the idea of a grant or a loan and it doesn't matter

Jon - Guarantee against loss?

Clive - Its very easy to prove that you did not make any money

David - Loan is liberation

Clive - self defined communities - a group who want to take something on and one person who will

Gwilym - Speed, simplicity key

David - that mitigates against the combination of a loan and a strategic investment

Robert - the process needs to be lightweight - if someone defaults they can never come back again you don't pursue them.

Marg - risk rating needs to be developed in a positive way.

Clive - is it a grant loan hybrid or will it be a loan? Do you make it rigorous or do you have a soft edge?

Marg - Venturesome have a risk rating impact and if it has a high social impact they are prepared to take quite a high risk

Robyn - who is making the judgement?

How might we fund the development and ongoing costs?

Clive - He offered to put £10.00 on the table straight away

Gwilym - would a group of FO's be prepared to put some money on the table?

Robert/Gwilym - Hi-Arts is a possibility and Leader Funds. SAC Innovation Funding?

Helen - Resilience Funding focused on FO's

Robert - there is a suspicion that the SE agenda is being used to reduce grant funding