



# Shetland Islands Council

The Council's decision, in order to safeguard the £6.15m investment already made by the Council in relation to the Mareel project, to provide access by Shetland Arts Development Agency to a bridging fund up to a capped limit of £0.6m with these conditions:

- There will be a due diligence exercise commissioned by Shetland Islands Council which will comprise a post project review including an assessment of exposure to claims and opportunities for reimbursement to the capital project. SADA's finance and legal advisers shall be required to co-operate and secure the provision of all requested information that will enable the exercise to be completed expeditiously;
- SADA will support the work necessary to complete the due diligence exercise which shall incorporate an assessment of the project and financial management which underpinned the project and will seek to verify and validate the assessment of SADA that the future projections for the venture are robust and demonstrate a viable operation going forward;
- SADA will accept the presumption in favour of Shetland Islands Council becoming the title holder in respect of the Mareel facility, with its trade fixtures, etc in recognition of the substantial investment already made by Shetland Islands Council on behalf of the community and cognisant of the Council's default position to secure adequate provision for similar activities under the Local Government and Planning Act 1982. SADA will assist in the process to ensure that the level of such investment including the provisions contained in this report secure a transfer for value in good faith following the due diligence exercise;
- SADA accepts that in view of their respective interests, each of the funding contributors and the Office of Scottish Charities Regulator will be entitled to participate in the due diligence exercise and in return will be provided with a report of the conclusions;
- No money will be released until external funders have given their commitment in writing that they will release their monies; and
- Officers will use best endeavours to obtain security over the funds provided by Shetland Islands Council.