

Watershed Innovation Networks

Joining the dots in a connected city

A New Direction

January 2006

“...something is happening here but you don’t know what it is...”

Bob Dylan, Ballad of a Thin Man

Table of Contents

1. Introduction

2. The Opportunity

- 2.1 Bristol: The “Hum” and the “Tale of Two Cities”
- 2.2 Policy and Practice: Digital Innovation and Public Value
- 2.3 Watershed: A Different Kind of Creative Organisation

3. The Proposition

- 3.1 Watershed Arts Trust: The Starting Point
- 3.2 Watershed Innovation Networks: Moving Forward
- 3.3 The WIN:WIN Situation: Seizing the Opportunity

4. The Plan

- 4.1 WIN: A One Year Development Period
- 4.2 WIN: A Three Year Pilot Programme

Annex 1

WIN in Practice: Case studies of catalytic networks in action

Annex 2

WIN in Development: Building blocks for the pilot programme

1 Introduction

In March 2005, Watershed (WS) commissioned Peter Boyden Associates to carry out a programme of work under the heading “21st Century Watershed: Building a Different Kind of Creative Organisation”. It flows from a “Partner Value Review” undertaken in November 2004 which demonstrated that Watershed Arts Trust (WSAT) has developed a highly unusual pattern of mutually reinforcing relationships. Collectively they generate exciting possibilities across Bristol and the South West as well as providing a rare example of a new kind of national creative practice. Widespread interest in the “networked” approach is reflected by the increasing number of organisations from all over the country actively seeking to learn from it.

The clear conclusion of the “Partner Value Review”¹ is the starting point for the Watershed Innovation Networks (WIN) proposition:

“Using digital creativity in a dynamic mixed economy, WS delivers a potent mix of cultural, social, economic and educational benefits. The main message is how valuable these benefits are felt to be – across the partnerships which are both their achievement and their chosen form of expression...Such a partnership-based programme needs time and space to show how the delivery of the full WS vision over a period could blaze a trail for a different kind of creative organisation. To develop a transferable model of good practise (an exemplary social enterprise with culture and community at its heart driven by an instinct for entrepreneurial collaboration) would indeed be a prize worth winning.”

WIN picks up these ideas and runs with them. It responds directly to the economic, cultural and social change triggered by digital technology. Through proactive engagement in the “knowledge economy”, it makes things happen that wouldn’t otherwise take place. It replaces the desire to control resources in a production-oriented world with the instinct to open up new forms of collaborative creative engagement. If it didn’t exist we would have to invent it.

Through WIN, WS has become inclusive rather than exclusive, open rather than closed and externally focused rather than turned in on itself. Its “instinct to collaborate” resonates with public aspirations to identify new models which deliver economic benefit without compromising the integrity of creative and social values. The WIN proposition now sets a course through which WS will plan and deliver a sustainable future which both responds to and makes possible new kinds of creative opportunity. It is indeed “an idea whose time has come”.

January 2006

¹ Watershed Partner Value Review is available at www.watershed.co.uk/reports/partners.pdf

2 The Opportunity

Creative Bristol, public value and Watershed: Why here, why now?

This section sets Bristol's current circumstances in the context of local, regional and national policy. It then shows how, through WIN, WS is poised to respond to the opportunities at the point where the three intersect.

2.1 Bristol: the “Hum” and the “Tale of Two Cities”

Building bridges: a divided city at the point of creative take off

As the “de facto” regional capital of the South West, Bristol is well-positioned to test a “catalytic networking” approach rooted in “clusters of collaboration”. No other urban centre west of London or south of Birmingham has anything approaching Bristol's creative capacity. As a focus of creative enterprise, the place is humming. It contains all the building blocks of a 21st century “creative city” driven by strong regional competitive advantage. In terms of creative industries, individuals, audiences and consumers, it is, quite simply, the only city in the South West with metropolitan “critical mass” As a result it has produced, attracted and retained large numbers of creative individuals working fluidly in different contexts and through flexible relationships. The digital technologies which generate their media of choice are WS's stock-in-trade. Although they communicate routinely with each other through formal and informal networks, they benefit directly from WIN's different kind of creative approach as well as providing the environment which makes it possible.

There is another side to the “creative industries” success story. At any given moment the social fault-lines separating one part of a city from another reflect and reinforce the tension between a single dynamic present and a thousand overlapping histories. Creativity and education link the tectonic plates. So long as they move relative to each other but with only limited mutual respect and understanding then Bristol is the weaker. That's why WIN is so important to the city. It links the economic clout of the creative industries with the social imperatives of creative communities. It unlocks the potential of young people through creative education while it builds creative working lives for them to aspire to. It offers a rare solution to what is arguably the city's most important challenge – bridging the gap between apparent prosperity and the reality of life in too many of Bristol's communities.

“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity ...” So wrote Charles Dickens in the opening sentence of “Tale of Two Cities”. Perhaps it's an arrogance to imagine this evocation of opposites has particular relevance to our “post-consensus” world. The pace of change in contemporary cities and the different degrees of social access to its benefits suggest not. It is a truism that diversity lies at the heart of a city. Bristol's “communities” (whether of class, ethnicity, gender, age or cultural inclination) draw strength from their inter-action in a plural culture. The “achievement gap” between “creative industry movers and shakers” (many of whom have actively chosen to live and work in the city) and the long-term problems in established city communities is a different proposition. A “two tier” city which structurally inhibits access to the benefits of “boom town” Bristol is profoundly damaging. We can't tolerate a future in which children from Clifton, Redland and Cotham inhabit a different world from those born in Hartcliffe, Knowle West, or St Pauls. WIN responds directly to the uncomfortable truths at the heart of this dilemma.

It follows that BCC is a major stakeholder in WIN's development and a central player in the wider framework for partnership. WS already has strong supportive relationships across Bristol. It has established its credentials as a major player capable of delivering public benefit cross the City Council's cultural, social and economic agendas. They range from public safety issues in the city centre, through the work of the Neighbourhood Renewal Unit and into economic regeneration through the targeted development of the creative industries. The emerging "e-democracy" agenda and the importance of tackling exclusion through new technologies is highlighted in the Social Exclusion Unit's November 2005 report. Major changes in formal education structures and the development of Creative Partnership's legacy schemes offer particular opportunities. The new Children's Trust (to be launched in spring 2006) provides, for the first time, an integrated point of engagement with young people across the city while higher education institutions seek ever closer relationships with their host communities

WIN reinforces these agendas at key points of crossover across the City. Bristol's new Local Area Agreement setting out a flexible and responsive relationship between central and local government will be drafted by the Local Strategic Partnership in the spring of 2006. The expectation is that it will "*draw into one the plethora of funding streams currently available, join up public services and give councils' and other local delivery partners more flexibility about how they tackle priority issues within their locality.*" It represents a perfect opportunity for WIN to be endorsed and developed as a city-wide, cross-agenda delivery mechanism.

2.2 Policy and practice: Digital innovation and public value

Social impact and creative energy: Public policy in the knowledge economy

WS exists in a "mixed economy" combining public investment and self-generated income. Although its revenue model has always been highly geared towards its trading base, the ability to commit simultaneously to innovation and to access depends on continuing public support. Public investment naturally seeks a return reflecting public policy. WS therefore strives to deliver a programme which meets the aspirations of its stakeholders. The WIN proposition broadens, deepens and integrates the R and D "networking" component of the WS vision while defending and enhancing the building-based and virtual programmes on which it depends. It increases and secures the return on existing public support as well as making a case for development investment to extend public benefit. That case directly reflects and reinforces national, regional and local policy aspirations.

Digital media affect our lives profoundly. That their penetration is so deep has implications for personal creativity, for community development, for education and for a thriving private sector. In a post-manufacturing world our economic future depends on nurturing individual creativity and providing opportunities for it to express itself across the social spectrum. There are implications for the ownership of intellectual material, for the management of our collective narratives, for social inclusion, for the control of media industries and for personal liberty which raise the stakes ever higher. They make the public domain debate of these and related areas of paramount importance by defining the nature of 21st century citizenship. Central government agendas across the portfolios reflect and reinforce their significance.

The wider knowledge economy is also changing our world in ways we cannot yet fully appreciate. Private sector energy is responding fast to new market opportunities

while the “voluntary” sector is developing an increasingly sure response. Although public policy is also moving to take account of the emerging post-digital world, its ability to act quickly is often compromised by institutional logics. This is equally true locally, regionally and nationally. Central government’s will to respond is however increasingly evident. The regional and local impact is beginning to be felt.

The Treasury’s rallying calls of enterprise, innovation and social inclusion echo across the programmes of the Department for Culture, Media and Sport (DCMS), the Department for Trade and Industry (DTI) and the Department for Education and Skills (DfES) and the Home Office. In terms of the media arts, the DCMS is focusing its attention on ACE’s “21st Century Creative Organisation” initiative, on the new Creative Economy Programme and on the “universal cultural offer for children and young people”. The thinking informs national policy in education, economic regeneration and community development. The Non-Departmental Public Bodies (NDPBs) through which treasury resources flow to the regions are seeking increasingly integrated approaches to on-the-ground delivery which respond to these imperatives. WIN provides just such an approach.

It is WIN’s most valuable contribution to act as a channel for communication and debate linking new kinds of creative production with new kinds of consumers and participants. That it does so in ways which don’t determine value by the nature of the investment base and which insist that private profit and public benefit aren’t mutually exclusive is itself an interesting reflection both on our changing culture and on what drives WS as an organisation. There are important implications for the WIN proposition which run through it like “Blackpool” through a stick of rock.

2.3 Watershed: A Different Kind of Creative Organisation

WS at the crossroads: A distinctive organisation with the capacity to respond

The conclusion of Section 2.2 is that we need new approaches to the creative application of public money for social purposes. The opportunities implicit in the knowledge economy can’t be grasped through policy platforms and institutions designed 50 years ago for a world that no longer exists. We need to move beyond a focus on “production” towards a “networked” approach which meets the emerging needs of the 21st century creative city.

The 2004 “*Partner Value Review*” concluded that “*in a dynamic and rapidly changing culture, new kinds of creative organisations need to be designed for the 21st century. They will share a number of characteristics and values:*

- *A strongly entrepreneurial creative vision*
- *The ability to function flexibly in a multi-discipline environment*
- *The courage to trust talent and back new kinds of creative process*
- *A commitment to collaboration and partnership*
- *The desire to “add value” to other initiatives rather than compete with them*
- *Open and inclusive management styles and operating cultures*
- *An understanding of how to integrate public and private sector interests*
- *A commitment to education in all its forms*
- *A deep-seated empathy with the principles of accessibility and empowerment*
- *A flexible and responsive business model*
- *Maximising the return of public investment in terms of value for money*

Across the cultural landscape, government departments, NDPBs, local authorities and independent organisations are striving to understand what this means in

practice. Without commanding the resources to be fully strategic, for the last five years WS has tested and fine-tuned how such an approach might work at the heart of a creative city. To understand why it is now so well placed to respond to the challenge of the future through WIN we need a moment of historical reflection.

In 1982 there was no such thing as a “media centre”. When it was first coined by WS’s founders, the notion of a contemporary arts centre working in a different part of the creative economy from that inhabited by “traditional” building-based cultural organisations marked a sharp distinction from both live performance and “unique artefact” arts practice. It was driven from first principles by different assumptions about cultural democracy and access as well as a commitment to working proactively with private sector media enterprises. With hind-sight it seems obvious that the ICT revolution was necessary before the WS dream could become an achieved reality. That these early ideas gained expression in a pre-digital world is astonishing.

Under its current Director, WS has grafted new opportunities onto the inherited “media centre” vision. £2.2m has been invested in the capital programme completed in spring 2005. As a result WS now has three well-equipped cinemas and a range of flexible public spaces to augment the bar and restaurant which have long been the social heart of the operation. Within an expanded foot-print, the Sheds are also home to NESTA’s innovative Futurelab project and to the emerging media companies occupying UWE’s “eMedia” incubator spaces. The partnership which made this possible is a metaphor for WS’s strategic approach to the development of its prime city centre site and the programme which animates it. The building now hums with creative energy. It is arguably the most intensively used and accessible publicly supported independent creative space in the West Country.

Getting the building right was only half the story. WS has also worked with ACE’s Stabilisation Programme to invest £800k in a Strategy for Change which clarifies the artistic and social vision, builds capacity and stabilises the business model. Because the strategy’s revenue funding model hasn’t been achieved, the third of these aspirations remains the outstanding organisational challenge. Through this process WS’s Director and staff have learned to work in different ways and to apply energy, knowledge and skill where it makes the most difference – at the tipping point of creative opportunity. In doing so they have pre-figured the different kind of organisation so urgently sought by national, regional and local government policy. The scale of the future opportunity is now determined by the dizzying pace of change as digital media respond to increased data processing capacity and the potential of wireless connectivity.

WS’s true purpose may be to stay just ahead of the breaking wave of emerging technologies and to mediate their capacity to be used for social purposes in an inclusive knowledge economy. This is both WIN’s natural operating environment and its greatest prize.

3 The Proposition

Watershed Arts Trust and Watershed Innovation Networks

This section makes the case for WIN as a discrete entity drawing strength from (and feeding into) WSAT's programme but "kicking on" into new territory. It shows how "catalytic networks" build public value on the basis of venue and virtual programmes.

3.1 Watershed Arts Trust: The Starting Point

Building on the venue-based and virtual programmes

3.1.1 The building

An iconic city centre presence

WS is defined in the public eye by its distinctive building in a prime city centre waterfront location. 24 years ago it represented a beacon for the regeneration of the docks; now it reflects and endorses Bristol's commitment to a vibrant knowledge economy. Within the city the building has iconic significance. Its longevity and familiarity reinforce its potential. It provides a public heart to the city centre which balances the sometimes negative impact of the Waterfront bar culture. It is a metaphor for Bristol's commitment to creative enterprise. Its location, nature, style and attitude all add value to the WIN proposition.

3.1.2 The venue-based programme

Cinemas, conferences and clusters

The cinema programme lies at the heart of WS's commitment to moving-image culture. The largely evening-focused cinema programme is complemented and enhanced by the intense day-time use of "Watersides 1, 2 and 3" for conferences, events and festivals which reflect and determine its values and principles. The venue also makes "clusters" of creative collaboration possible by providing the facilities for their development and fulfilment. The presence in the building of the UWE incubator spaces, NESTA Futurelab, the Encounters and Bristol Silents festivals, Artsmatrix, Theatre Bristol and Dance Bristol generates critical mass. Each brings their own "constituency" into the building with benefits for creative inter-action and footfall. This impact is reinforced by the attraction of the social spaces for people who aren't based in the building – especially younger people and those with no predisposition to attend "arts" buildings. It has become Bristol's natural place for formal and informal encounter: a market place for ideas and a creative souk at the heart of the digital city.

3.1.3 The virtual programme

dShed and e-publishing

The building is also the springboard for the virtual programme. Wireless connectivity embodies WS's commitment to open access. Terminals throughout the building reinforce its role as a public internet portal. They are intensively and creatively used. WS also develops a "virtual" programme with a wide range of collaborators - Electric December and Pavilion are good examples. The point of engagement may be on-line

but it draws on and feeds into the public domain debate within the venue. dShed started as a place to exhibit work generated through residencies, bursaries and skills programmes. It quickly established itself as a place for innovation and experiment and now acts as an R and D umbrella for creative interventions and collaborations with the whole world as an audience. The site is a showcase for online creativity and provides a platform for producers and a focus for distribution, discussion and knowledge exchange.

3.1.4 WS Arts Trust: Increasing Public Value

Maximising the return on investment

WIN focuses on extending the public benefit already generated by the venue and virtual programmes. There are other reasons why WSAT is well-suited to function as its launch pad. Its staff have learnt how to work collaboratively through complex partnerships. Because it doesn't carry a high-cost in-house producing capacity on top of its venue-related expenditure, it is quick on its feet in response to opportunity. As a result, its ability to attract third party funding for projects is high. The strong track record in attracting funds from non-arts sources is reinforced by collaborator investment from partners. Project contributions from the private sector have been impressive. Although WS has focused fewer resources on support from trusts and foundations, the areas in which WIN works suggest that these could be growth areas over the next five years. By making new things happen through new collaborations, WIN allows WS programme-spend to increase as a proportion of total expenditure. It therefore increases the "value for money" pay-back on public investment by bringing new players into the creative game.

For all these reasons WS is poised at a moment of great potential. WIN is the mechanism through which it will be achieved.

3.2 Watershed Innovation Networks: Moving Forward

Catalytic networks at the heart of the creative city

3.2.1 An integrated three way proposition

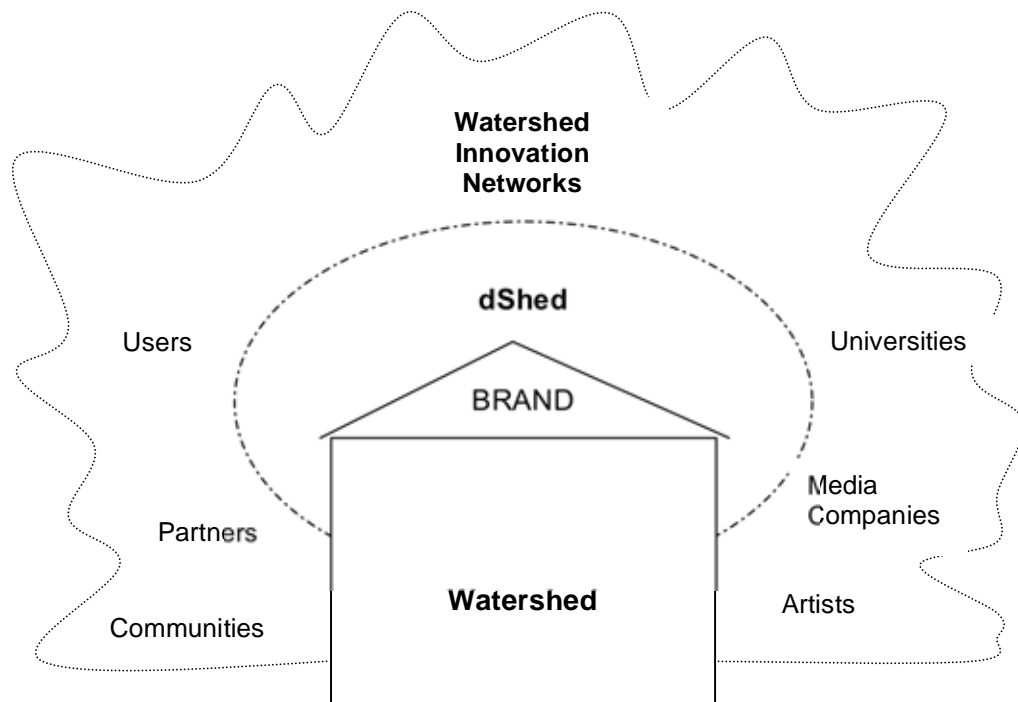
Building on the core programme

The WIN vision depends on the integration of the venue, virtual and networked programmes. It starts from the notion that each strand benefits from the existence of the other two and that all three are diminished if one fails to function effectively. WS brings people and ideas together to build a "critical mass" of creative energy whose primary expression lies in the building-based and virtual programmes. WIN then functions as a ripple machine exporting and reinforcing this energy through city-wide and national collaborations.

WIN is WS's primary claim to innovative practice and the point at which its contribution is most distinctive. Plenty of organisations run venues; some generate high-quality virtual content. WIN "adds value" at the point where venue and virtual platforms meet at the same time as strengthening both. The development and sustenance of "catalytic networks" responds to emerging opportunity in the changing world described in Section 2. WIN brings disparate people together to their mutual benefit. It is where public and private sector interests interact and where worlds

configured in parallel universes converge. Public benefit is achieved at the point of cross-over through a controlled two-way flow of energy. WIN makes WS into both a transmitter and a lightning rod, an amplifier as well as a speaker and a router rather than a repository. The impact is long-term, subtle, and diffuse.

This diagram shows how the three-way interaction works:



3.2.2 Catalytic networks in action

The heart of the WIN proposition

“Networks” and “connectivity” reinforce and extend the “value chain” through which the digital revolution drives the creative economy. WIN starts from this proposition. Its primary function is to lock into the DNA of creative Bristol and hard-wire the networks. It functions at the point where social and economic agendas meet a primary commitment to young people and to education. It engages with matters of substance moving beyond passive entertainment or personal creativity.

WIN makes introductions and forms connections. It also reacts to and develops opportunities created elsewhere and engages proactively in “mission-driven” initiatives. The benefits it generates are different in kind rather than degree from those delivered by production-oriented creative organisations. They depend on the “letting go” of corporate and personal “ego”. They respect and understand the process of collaboration. They adopt a neutral position in terms of the ownership of outcomes and the exploitation of content. Their innate “neutrality” is balanced and sharpened by the commitment to an integrated creative and social agenda.

Public, voluntary and private sectors need a mediated position in the knowledge economy in which they can co-exist to their mutual advantage. Providing it is WIN’s natural terrain – the point at which Hewlett Packard meets Rubberductions, the

Philharmonia Orchestra meets the Jungulator and the Knowle West Media Centre meets the BBC. Without a shared public space these worlds struggle to inhabit the same universe leave alone talk to each other in a common language. By securing and holding this ground WIN takes its place on an international platform at the same time as responding to Bristol's drive for social inclusion and cultural diversity – thus integrating WS's local, regional and national missions.

3.2.3 Opportunities and constraints

Finite resources in an expanding universe

WIN already reaches into many parts of the city and beyond. It embraces major corporations, independent media companies, the BBC, individual artists, community groups, funding bodies, schools, universities, research initiatives, government departments and development agencies. All are unequivocally supportive of WS and its city-wide, regional and national role. Without it their ability to interact with mutual understanding would be diminished and their capacity to achieve their objectives reduced. Physical and virtual spaces created by WS allow “peer-to-peer” relationships to develop between individuals with different ages, backgrounds and motivations but a common interest.

The opportunity reflects Bristol's ambitions as a creative city. WIN reinforces its critical mass and regional competitive advantage by:

- making things possible that wouldn't otherwise happen
- helping the parts to add up to a more coherent whole
- bridging the creativity/technology interface
- reconciling economic and community development interests
- closing generational and demographic gaps
- creating pathways to cross the digital divide
- working with young people's creative media of choice
- providing the tools for young people to articulate their aspirations
- establishing a ladder of progression to turn them into a reality

The extent to which WS is forced to juggle priorities within limited resources inhibits its capacity for partnership. In a burgeoning creative city there are more potential partners than there are the resources to engage with them: “more dancers than will fit on the dance floor”. Physical, managerial and financial constraints compromise WS's ability to seize the opportunity. To develop, WIN needs a sustainable and flexible environment which balances a strategically planned programme with the continuing energy of opportunistic intervention. Section therefore 4 proposes an incremental plan to create such an environment through a three year partnership-based pilot programme. By creating WIN as a discrete entity the risk is contained and the opportunity for new cross-sector partnerships maximised.

3.3 The WIN:WIN Situation: Seizing the Opportunity

A new approach to a sustainable future

The radical response outlined here could provide a sustainable long-term future. Successfully implemented it would provide continuing investment in an expanding and independently constituted WIN beyond the period of the pilot programme. Its success depends on an innovative partnership backing a different kind of creative organisation. It goes to the heart of a new kind of business model designed to serve the emerging post-digital creative economy.

3.3.1 Balance sheet

Acquiring the head-lease and building critical mass

Arts organisations routinely function at the point of financial crisis. Because they don't build reserves or own assets they are often exposed on the balance sheet. The position is compounded as trading insecurities and cash-flow problems test their ability to pay debts "as and when they fall due". The result is often a structurally risk-averse culture – as great an enemy of creativity as the "comfort zone". A different kind of creative organisation needs to respond to these dilemmas. Strengthening the balance sheet of an independently constituted WIN would increase its ability to attract investment in the business in the longer term. It would thereby make the space to develop different kinds of partnerships and enhance the capacity to manage the business model. The key to a robust balance sheet and a sustainable future for WIN lies in acquiring the head lease for E and W Sheds. To do so requires a public/private investment partnership to allow an independently constituted WIN to function without revenue subsidy and with the ability to borrow on the basis of a strong balance sheet.

In March 2005 the building had a market value of around £4.9m excluding the value of WS's leasehold interest in the upper floors. Professional advice suggests that the market value of the holding is likely to increase. It represents a sound investment.

3.3.2 Business model

The impact on the WS/WIN trading base and service model

Acquiring the head-lease through WIN substantially changes the relationship between the business equation and the service model. WSAT would presumably deal directly as a protected tenant with WIN as the holder of the head lease. There would be no negative impact on its own business plan.

In March 2005, the property covered by the head-lease was let at a total annual income (after rent reviews) of around £350k on leases with between 8 and 23 years to run. Were it to acquire the head-lease this income would accrue to WIN. It could be used to re-pay any necessary borrowing, to build reserves or for programme investment. If the full value of the acquisition were met from public sources the whole figure could be applied to an integrated three strand programme bringing together the WSAT and WIN. If only part of the figure were achieved through a public/private investment partnership, WIN could then seek to borrow the balance against this income stream and the value of the asset.

Significant demand exists from organisations with an interest in becoming "resident partners" in a WS/WIN with an expanded footprint. WIN has different options for the use of the ground floor premises. Over time, they would balance the need to generate income and the desire to deliver public benefit by either continuing to manage spaces commercially or letting them to organisations whose presence would increase the critical mass of the creative industries cluster.

3.3.3 Governance

A changing framework for partners and stakeholders

WSAT depends on partnership for its meaning in the public domain, for a sustainable business model and for the validation of its constituency. Working with the grain of

partnership is in everybody's interests. Although its collaborations work across the public, private and voluntary sectors, ACESW and BCC will continue to be WSAT's key stakeholders. The terms on which they do so and the relationship with the wider framework for partnership in the WIN programme is an important area for further discussion. It is a central component of the work to be undertaken during the proposed "Framing the Proposition" year set out in Section 4.1.

The discussion needs to reflect WIN's business needs and the interests of potential partners as well as informing the contractual basis of public investment. It should take account of the management of risk and consider issues of investment, equity, ownership and reward. The capacity to strengthen the balance sheet, control the variables in the business plan and manage the company's affairs within longer planning horizons will also be important factors.

To drive WIN's development as a discrete entity beneath the WS umbrella, a new kind of creative organisation may need new instruments of governance. The continuing fitness-for-purpose of the traditional company limited by guarantee registered as a charity needs to be interrogated from first principles. It seems likely that a joint venture Community Interest Company will provide a more flexible legal personality for the venture as well as broadening the framework for partnership. Determining and reviewing the constitutional options will be a second key strand of activity for the "framing year".

WSAT would itself be an important WIN stakeholder at the heart of a partnership involving an innovative mix of individual, corporate and institutional interests – including universities and NDPBs. It is unlikely that the company would seek to make or distribute profits beyond a limit set by the instruments of governance. Institutional stakeholders could determine the nature of the return on their investment in terms of their own policy aspirations.

4 The Plan

Getting from here to there

WS is at a crossroads. For WSAT, the status quo isn't sustainable without core funding increases or service cuts. Within current budgets there is no financial room to develop WIN in ways which reflect the scale of the prize. The window of opportunity is finite. This section proposes practical actions which will both ease the pressure on WSAT's 2006/07 budget and allow WIN the room to develop.

4.1 WIN: A One Year Development Period

Framing the proposition

The three year WIN pilot programme requires a 12 month planning period focusing on content, process, cost and outcomes. Both income and expenditure will be ring-fenced from the core WSAT budget. It should also develop a bespoke approach to monitoring and evaluation to ensure the lessons learned are transferable. Annex A provides summary case studies of successful WS projects which provide a clear sense of what is achievable. Annex B proposes a shape for the R and D programme based on existing projects in development.

The WIN pilot programme will seek support from a broad set of partners. They will embrace the HE, private and voluntary sectors as well as local government and cultural funding bodies. They are likely to include 3CR, Bristol University, Futurelab, UWE, HP Labs, Mobile Bristol and BCC's Education and Cultural Services departments; others will no doubt come on board as the programme develops. Funding will also be sought from SWS, Research Councils, HEFCE, SWRDA, DTI/OST, the European Union and a range of trusts and foundations. Each partner will seek something new from the collaboration; each will bring a different set of networks, knowledge and resource.

Through WIN these differences will be catalysed in a productive context to generate new and perhaps unexpected outcomes. Connectivity and knowledge is the value-adding prize. The process of setting up the R and D programme will thus exemplify WIN's approach. The budget for the development year would be in the region of £100k. This preliminary investment would produce a costed proposition for the three year pilot programme. It would:

- determine the content of the three year programme
- secure its partnership and investment base
- review options for WIN's constitutional structure
- propose operational mechanisms
- formulate a three year budget
- specify the R and D outcomes
- establish monitoring and evaluation procedures
- progress the long-term solution of head lease purchase

4.2 WIN: A Three Year Pilot Programme

Delivering the goods

WS's ability to facilitate rather than to control and its capacity to act as a catalyst rather than a "sole service provider" is acknowledged. It is already working

collaboratively in a creative area of dynamic growth. There is widespread acknowledgement of the value of “catalytic networks”. A strong case can therefore be made for testing the WIN vision in action both to secure existing public benefit and to develop new ways of working. The sum required isn’t enormous and the potential pay back in a nationally transferable model of good practice is high.

Though the detail will be determined by the “framing year”, a WIN pilot programme is likely to seek an initial three year investment of around £1 million. This sum will provide the staff resource and venture funding to generate further project-related investment from contributing partners. Under the leadership of Dick Penny, the three year pilot programme would allow WIN the time and room to develop in a planned environment. Investment of this order would cover the cost of dedicated staff, administrative overheads, evaluation and dissemination of the R and D results. It would provide the operational and financial capacity to respond to opportunities that already exist. It would also generate a project venture fund to establish a “laboratory” to involve and engage artists in collaborative creative technology projects. The expectation is that it would lever collaborative activity worth more than £3 million and trigger activity with a combined turnover of around £4 million over the three year pilot. These figures would be tested and validated during the “framing” period.

Over a three year pilot programme, a modest venture investment in a discretely constituted WIN would therefore allow it to:

- create a discrete legal and financial entity
- secure and build on existing relationships
- respond to emerging creative and social opportunities
- build new catalytic partnerships across Bristol and the South West
- test new ways of working and new kinds of return on public investment
- grow organisational capacity and staff skills
- develop new performance indicators and measures of impact
- extend the public benefit of WSAT

Annex 1

WIN in practice: Catalytic networks in action

WIN Case Study 1: Arts, Education and Young People at Risk

Watershed works with young peoples' support agencies to provide creative digital media learning projects for disaffected young people from all parts of the city. ALCHEMY is a web site featuring two recent programmes. For more information go to <http://www.dshed.net/digitised/alchemy/index.html>

1. VJ Workshops

Participants were young people in Bristol at risk of exclusion from mainstream education, working with various organisations such as Connexions West of England under the Positive Activities for Young People initiative, and with Bristol Youth Community Action through the Bristol Youth Offenders Team. During all workshops young people were supported by key workers and members of Watershed staff.

These workshops engage young people through video jockeying. Music and images are sampled or created from scratch, manipulated and combined using a range of software to produce new and innovative performance pieces, which can be played in the Gallery section of the website. The workshops develop creative and technical skills and self confidence through participatory activity and the opportunity to work with leading experts in the field. Workshops ran at Watershed; The Park, Knowle West; the Juice Bar, Laurence Weston; and Fonthill School, Southmead.

2. Animate+

An innovative opportunity for 12 young people from different communities who were not in education, employment or training (NEET) to return to learning through a creative process. The programme offered the opportunity to learn Flash animation, web and games design, and also included workshops in video film-making, sound and digital image production and 3D model animation. Small groups worked with a dedicated tutor, project co-ordinator, support worker and expert practitioners, using up-to date, high quality equipment within a creative and supportive environment at Bristol's Harbourside media centre, Watershed. The approach was to work with participants to help them develop technical skills and understanding, realise their creative potential, and achieve the standards required for the nationally recognised qualifications available. The project was funded through LSC's Education Unlimited initiative and delivered by Watershed.

9 young people who began with few if any qualifications, completed a 6 month programme and all left with OCN level 2 qualifications having produced digital animations, a web site, a game, and in some cases video films. They also took away with them an increased level of confidence and maturity. At completion 6 of the young people had applied to daytime college courses, (4 to media related subjects, 1 for a music course, 1 for business studies) and 4 had been accepted, 1 provisionally accepted pending space. One student was applying for an animation evening course and was looking for work. The remaining 2 students had registered with New Deal and were looking for work.

What the young people said about the experience:

"I'm enjoying being on this course at Watershed as it's a nice environment, there are good teachers and you actually learn things."

"It's good - you get to keep your own ideas here, instead of having them taken over by teachers like in other places"

"It's helped me get back into education"

WIN Case Study 2: Arts and Industry

Under Blue Skies: The Watershed/HP Labs Partnership

The full report is available to download at

<http://www.watershed.co.uk/reports/UnderBlueSkies.pdf>

National and regional government strategy identifies Creative Industries as a sector in which the relationship between innovation, knowledge transfer, productivity and marketplace performance is integral to market success. Through its strategic alliance with Hewlett Packard Labs, Watershed has created an exceptional example of a public/private sector alliance where the pooling of knowledge, expertise and resources underpins innovative research and development.

The Watershed/HP Labs partnership began in 1999 when both organisations became founding members of the Bristol Creative Technology Network. With the HP led Mobile Bristol programme Watershed has acted as a research partner, sharing an interest in exploring artist and user experiences of digital media beyond the confines of the cinema or gallery. Turning Watershed into a 'living lab space' with artists creating new content for visitors to 'try out'.

In 2004 Watershed partnered with HP to create the SE3D project. It commissioned 11 groups of UK animators and gave access to an experimental Utility 3D Rendering Service. As well as offering a multi-user industry test for this cutting-edge research technology, the SE3D project delivered 11 new 3D animations from new UK talent, films which have been featuring at festivals around the world. The completed SE3D films provided HP Labs with a tangible example of utility computing that can be used to promote their services within other industries and established a model of collaboration that has attracted interest from across the UK:

"The project embeds many of our current concerns, including networking as a business model, access to new and expansive technologies, new distribution avenues, mobilisation of production funding, changes in core business practice and the ownership of IP in the content that is created by the research process."

Julie Taylor, Creative Industries Manager at the Arts and Humanities Research Council

Creative outcomes are a driving factor in the partnership – both in terms of the research undertaken and in the production of new work. Artist/Composer Jo Hyde explains:

"For me this is the beginning of a journey rather than the end. Working with the HP Labs' team and their utility rendering service has been a different and much more rigorous approach to that I am used to. I know that the techniques and ways of working I've developed through SE3D will have a wider application to other projects I undertake in the future"

HP's John Manley thinks Watershed is ideally positioned to function as the front-end, collaborative hub within a Digital Media Service Provider 'eco-system'. He feels that: *"In the digital media industry the only way to stay competitive is to use the emergent technologies before others adopt them. It's the pioneers, early adopters and risk-*

takers that succeed, and because of what's here in Bristol we're in a strong position to become a leader on the world stage"

As a stakeholder in digital innovation, Watershed has an important role to play in supporting new technology-based practices and their successful adoption by the creative industries – especially in the cultural sectors. As Dick Penny explains: *"We want to be at the heart of making new things happen through new collaborations, especially those bringing public and private sector interests together. We can increase the 'value for money' payback on investment by drawing new and diverse players into the creative game, especially enlightened commercial players who are committed to innovation, exploring new territories and knowledge exchange. Our fruitful partnership with Hewlett Packard is one example of this approach"*

WIN Case Study 3: Arts, Community, Education and Industry

Electric December - Learning, Producing & Publishing through Collaboration

Full archive of content, participants and resources available at

<http://www.electricdecember.org>

Electric December introduces local community and education groups to professional media companies and artists. It facilitates partnerships to produce new creative work for the web. These partnerships ensure that skills are pooled and shared and the world of creativity on the internet is revealed, explored and discussed. The success of Electric December's principle of matching media professionals with skills to potential contributors with ideas and imagination has been proved time and again as can be seen in the archives. It projects local talent to the world with visitors from over 100 countries and generates enormous profile for our creative sector:

"Electric December... Brilliant ...collaboration between creative communities and local schools and businesses ...each page is achingly stylish." The Sunday Times

Watershed's unique role as creative hub on and off line enables it to build effective relationships which cross cultural and physical boundaries to match ideas and aspirations with skills and resource. Young participants sense of achievement and increased self-esteem are reinforced by seeing the results of their work on the web, and realising that it will be viewed world-wide. Professionals working with young people report that the process is not one way. They unexpectedly learn some new technical skills, but more often learn new ways of interacting with this age group and develop different approaches to their working practices and teaching methods. New talent finds the profile and contacts useful in developing their careers.

Electric December launched in 1999 seeking to:

- raise public awareness of the web as a creative medium
- promote local creativity through presenting a snapshot of media/arts activity
- develop knowledge of the web among local creative communities
- foster networks to share and develop new media skills
- further develop young peoples' skills in ICT

Seven years on these aims still hold true. While awareness of the web is now far more extensive, the fact that it is such a ubiquitous, and increasingly accessible medium, invites, or even demands, a continuing dialogue to explore and develop its potential. The web has created a platform where previously understood boundaries between subjects are dissolved, yet developing technologies and evolving intellects allow new practices and associations. Acquiring the skills of web literacy (technically and culturally), is essential to establishing an effective presence in this future world.

Rob Townley of Witherwood Community School: *"It offers the potential for creating artwork in the way that people who do it for a living actually go about it. That adds an extra dimension to an ordinary art lesson. As an experience its one of the highlights of the year. It is certainly a big plus in terms of the profile of the school. Quite often schools do not sing their own praises, and this is very public praise-singing."*

Yvonne Davies of the Meriton Centre: *"If you have someone who doesn't have that many skills, then learning computer skills through a project like this can give them the confidence to go on to learn other subjects. And it boosts their confidence in a more general way too. They can have an idea, be taken seriously, make it into something really cool, and then people all over the country can go and look at what they've done."*

Annex 2 – v3-Feb-2006

WIN in development: Building blocks for the pilot programme

Watershed Innovation Networks CIC Ltd : Developing the Creative Economy for All
A new discrete venture as part of the Watershed stable with potential for joint stakeholder investment and ownership.

Projects currently in Development

1. Creative hub and clusters: hardwiring Bristol's creative DNA

1.1 Developing the Physical Cluster

- expanding the physical cluster - creating the opportunity for new organisations to locate at Watershed to add to the current cluster of Watershed, Futurelab, Bristol Investors in Learning, UWE, Encounters, Theatre Bristol, Dance Bristol, Arts Matrix
- buying the headlease of E & W Sheds to secure the cluster and to improve / manage the environment around and within the building

1.2 Developing the Virtual Cluster extending out from Watershed

- Community Alliance - strategic alliance led by Watershed with Knowle West Media Centre, Kuumba and BBC West. Alliances will build interactive network of physical spaces linking communities to the city centre and to each other providing progression pathways and access to exhibition channels including future local Tv
- deepening relationships with HE research sector - computer science, robotics, media, education, culture, business
- supporting work space development for creative industries in partnership with policy makers and developers
- co-ordinating the Media Arts & Technology Forum to promote knowledge exchange and networking across media & technology sectors
- developing BMEX membership to expand the Metropolitan Area Network high bandwidth network for business development and R&D projects

2. Inclusive communities: interactive networks in action

2.1 Connecting Bristol - partnering with Bristol City Council to lead Bristol's response to the UK Digital Challenge

2.2 Articulating Young Bristol Voices

New Young Peoples Communication Hub as key element of Bristol 14-19 Learning Strategy – www.ehed.net will link physical communities via creative internet and mobile environment. Collaboration with Bristol LEA, LSC, Connexions, City Learning Centres, Bristol Young Peoples' Services, Schools and First Light.

2.3 Developing virtual 'extended school communities' with Bristol LEA and Neighbourhood Renewal

3. Networked Digital Development Projects

- HP/ ACE artist residencies in Bristol & Bangalore
- Web Hosting – artist sites hosted with bespoke interactive services
- 90 Second Challenge West 2006 with BBC West
- 90 Second Challenge Plymouth 2006 facilitation for Arts & Business and Orange
- Ambient Web R&D programme with HP/ Mobile Bristol
- Next generation multimedia archive search technology research project with 3CR Research