

The Highland Council

Resources Committee – 25 November 2015

Agenda Item	6(a)
Report No	RES/93/15

Application to Capital Discretionary Fund 2015/16: Kyle of Sutherland Development Trust - New Visitor Centre and Restaurant at the Falls of Shin

Joint Report by Director of Finance and Head of Policy and Reform

Summary

The Kyle of Sutherland Development Trust, a registered charity based in Bonar Bridge, Sutherland, is seeking capital discretionary funding of £100k for the development of a new Visitor Centre and Restaurant at the Falls of Shin in Sutherland. This report recommends that Members approve the application subject to the full funding package being secured.

1. Background

- 1.1 The Falls of Shin Visitor Centre was destroyed by fire in May 2013. As a result 21 full time or seasonal jobs were lost and the local area suffered an average drop in visitor numbers of 160,000 per year.
- 1.2 In March 2014, at an open public meeting for the redevelopment of the Falls of Shin, people from the Kyle of Sutherland and Lairg said that they would prefer a community organisation to take forward the project.
- 1.3 In May 2014, the Kyle of Sutherland Development Trust Board of Directors (KoSDT), made up from local business and professional people, agreed that this project was vital for the economy of the area and presented their vision for the site.
- 1.4 The KoSDT team successfully applied to the Big Lottery this year and secured a development grant that allowed them to appoint a Project Officer and Architect to progress with the project.
- 1.5 Planning permission for the new Visitor Centre was approved by the Highland Council on the 23rd July 2015.

2. Funding Request

- 2.1 The KoSDT are requesting £100k over 2 years from the Council's Capital Discretionary Fund to support the new £1.27m Visitor Centre and Restaurant at the Falls of Shin. The full funding package will be made up as follows:
 - Big Lottery - £901k over 3 years, decision due December 2015
 - HIE - £35k approved for the purchase of the land.
 - HIE - £203.5k over 2 years, decision due January 2016.
 - Local community benefit funds - £30k, decision due December 2015.

3. Implications

3.1 Climate Change/Carbon Clever and Equalities

The new building is designed in accordance with building regulations and so will address climate change and accessibility requirements.

3.2 Legal Implications

The site is currently owned by Balnagowan Estate. An agreement in principle is in place until the sale of the land to the community company is completed under the terms of the Trusts Charitable Aims.

Other land around the Visitor Centre site is owned by the Forestry Commission and the Highland Council owns the car park and the lease to the Falls of Shin pathways. There will be no change to the ownership or responsibilities of these areas.

3.3 Resource Implications

The uncommitted balance on the Capital Discretionary Fund is currently £1.169m. The allocation of £100k over 2 years can be accommodated from this Fund. The cost to the Council will also include the revenue cost of borrowing which is assessed at £8k per annum. This is provided for within the Loans Fund Budget.

3.4 Gaelic Implications

New signage will have appropriate Gaelic interpretation, as set out in the Council's policy on signage.

3.5 Rural Implications

HIE have assessed the economic income potential for the new Visitor Centre at £300k annually and are of the view that very little displacement would take place. It would create new employment opportunities and would draw visitors to the Kyle of Sutherland which would have a significant economic benefit to the whole area.

3.6 There are no other implications to highlight within the report.

Recommendation

The Committee is invited to approve a contribution of £100k over 2 years from the Capital Discretionary Fund 2015/16 towards the Falls of Shin Community project, subject to the full funding package being put in place.

Designation: Director of Finance and Head of Policy and Reform
Date: 13 November 2015
Author: Andrew Mackay, Ward Manager, North West and Central Sutherland