

The Highland Council

10 March 2016

Agenda Item	15
Report No	HC/11/16

Capital Discretionary Fund – Applications for Financial Support

Report by Director of Finance

Summary

This report seeks approval for a number of applications for financial support from the Capital Discretionary Fund.

1. Background

- 1.1 The Capital Discretionary Fund forms part of the Council's Capital Plan, and as such is fully funded through the borrowing commitment in the Loans Fund Revenue Budget.
- 1.2 Whilst there are no specific criteria, the Fund has typically been used to match fund community projects and/or support projects that deliver community benefits or financial savings.
- 1.3 Scottish Government guidelines do allow dispensation to award capital grants for areas where the Council could legitimately treat as capital expenditure if it were to incur the cost itself.

2. Applications for Funding

- 2.1 Highland Council is asked to consider six applications for funding as follows:-

	£	£
Uncommitted Balance on Fund (as at 24 February 2016)		965,000
Add Capital Plan "top-up" 1 April 2016		<u>250,000</u>
Total Funding available		1,215,000
Applications Submitted:-		
• Inverness Ice Centre	171,870	
• South Loch Ness Trail	72,000	
• Cromarty Harbour Trust	50,000	
• Alexandra Bridge	26,406	
• New Embo Community Centre	70,000	
• WASPS Studios, Midmills College	<u>100,000</u>	
		<u>490,276</u>
Uncommitted balance remaining		724,724
		=====

- 2.2 The total proposals, if accepted, will reduce the Capital Discretionary Fund by a significant amount.
- 2.3 These proposals will incur annual borrowing costs of c£45,000 which are fully

provided for within the Loans Fund Revenue Budget.

3. Discussion

3.1 A short analysis of each project is highlighted below, with detailed information attached as appendices to the report.

3.2 Inverness Ice Centre (Appendix 1)

The Ice Centre is seeking to replace its plant and equipment, which have never been replaced since the Centre opened in 1968. With constant repairs and maintenance, there is a significant risk to the ongoing viability of the Centre without capital investment.

The cost of replacement plant is £708,105, and the Company is pursuing a range of grant funding, and has had considerable success. The Council is asked to contribute to this cost by awarding a grant of £171,870 to cover the residual project cost.

3.3 South Loch Ness Trail (Appendix 2)

Visit Inverness Loch Ness Limited wish Highland Council to support the development of the South Loch Ness Trail, specifically the construction of a new section of trail between Loch Tarff and the entrance to the Glendoe Hydro Scheme. Completion of this section will not only complete the South Loch Ness Trail, but also complete the final link in the creation of a circular trail around the whole of Loch Ness.

The total cost of the project is £211,161 (excl. VAT) and the funding request to the Council is for £72,000.

The Company is seeking funding from a range of other bodies, and decisions are awaited.

3.4 Cromarty Harbour Trust (Appendix 3)

The Trust is seeking a capital grant of £50,000 for the total cost of making a permanent safe berth for a vessel suitable to conduct the Cromarty to Nigg ferry operation.

The funding sought is subject to:-

- Thorough examination of berthing options
- Full engineering specifications being completed
- Full project costing

The request is for the full anticipated contract cost.

3.5 Alexandra Bridge (Appendix 4)

Members previously approved a contribution of £50,000 from the Capital Discretionary Fund towards a total estimated project cost of £342,500.

Work on the Bridge has been underway since May 2015 and was substantially complete by November 2015. There have however been a number of additional costs due to the complexity of the work and the condition of the Bridge being worse than originally anticipated.

An additional contribution of £26,406 is now being requested to help fund the total project cost.

3.6 New Embo Community Centre (Appendix 5)

The Embo Trust is requesting £70,000 to support the new £1.187m Community Centre and Restaurant at the Old School, Embo.

The project follows community consultation that identified the need for a facility to accommodate Clubs and activity groups as well as providing a meeting place hub/facility for all ages and for all surrounding communities.

The funding request to the Council is part of a significant number of funding applications as outlined in the appendix.

3.7 WASPS Studios, Midmills College (Appendix 6)

WASPS, a charity that provides affordable studios to support artists and arts organisations has expressed an interest in the Midmills building. This proposal seeks an award of £100,000 to part fund the repair and remedial works to the Listed Building element of Midmills College which would enable the building to be used as Artists' studios and creative hub.

4. Implications

4.1 Resource – these are outlined in Section 2 of this report.

4.2 Legal – all projects will meet the definition of Capital Expenditure as outlined in Scottish Government regulations.

4.3 Equalities – there are no specific issues to highlight, although individual projects will benefit users in that locality.

4.4 Climate Change/Carbon Clever – most of the applications have positive outcomes through more efficient buildings and health benefits.

4.5 Risk and Gaelic – there are no specific issues arising. Any financial risks can be managed through ensuring that full funding packages are in place, and work undertaken, before any financial contribution is paid by the Council.

4.6 Rural – the range of applications cover a large area of the Highlands.

Recommendations

The Council is asked to:-

- 1) Consider the six funding applications; and
- 2) Agree that any financial contribution is conditional on full project funding package being in place.

Designation: Director of Finance

Date: 29 February 2016

Author: Derek Yule

Inverness Ice Centre

Business Plan, October 2015



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Executive Summary

- Inverness Ice Centre has been an important leisure facility in Highland region since it opened in 1968. The business was bought by its members in 2002 and now attracts thousands of people every year.
- The centre, the only one of its kind in Highland, is home to a number of local clubs, notably curling, skating and ice hockey and which has fostered a number of national and international ice sports champions.
- The business is a charitable company limited by guarantee with a voluntary board of 9 members.
- The ice centre is now at a critical point in its history. Its plant and equipment have never been replaced and is the oldest of any ice rink in the UK. With constant repairs and maintenance now the plant has become a drain on the centre's income. Unless funding is found to replace it the centre faces the prospect of closure and the loss of 9 FTE jobs.
- It should be appreciated that the centre has operated entirely via its own trading income and has seldom sought external funding support in the past. The only grant support received in recent memory was for the installation of the lift to facilitate disabled user access. The lift was installed with support from The National Lottery Fund, HIE, Highland 2007, The Gannachie Trust, The Hugh Fraser Trust, The Crerar Hotels Trust and the Robertson Trust.
- To replace the current plant with new ice pad, chiller unit and boundaries will cost £708,105. While the business is able to invest £50,000 from its own reserves meeting the entire capital cost is beyond its capacity.
- There has already been a successful funding application to Sports Scotland which is prepared to fund up to 50% of total project costs. HIE and the World Curling Federation have also indicated their support subject to a total funding package being secured.
- Our intention is to seek support for the balance of £171,870 from the Highland Council's capital grants programme.
- Replacing these key facilities, without which the centre will not be able to operate, will mean a significant upgrade to one of the region's most important and popular sporting venues and create a modern, fit-for-purpose ice centre.

1. Background

Inverness Ice Centre has been an important leisure facility for the entire Highland region since it opened in 1968. In 2002 the centre was bought by its members when the then owners wanted to sell and changing its name from Inverness Ice Centre Community Amateur Sports Club Ltd to, simply, Inverness Ice Centre. The company has also been granted charitable status by regulator OSCR.

These two strategic changes have allowed the business to plough profits back into the organisation for various capital improvements including, in recent years, a lift for disabled access, a new heating system, new lighting for the ice hall and improved office accommodation.

The centre is a vibrant, popular venue for ice sports. In 2014/15 it was used by thousands of people and offers Ice Hockey, Curling, Wheelchair Curling, Ice Dance, Public Ice Skating, Figure Skating and Synchro at both recreational and competition level.

Over the past 6 years Inverness Ice Centre has successfully collaborated with our fellow charity - The Highland Hospice to run a joint fundraising project called 'Strictly Inverness'. This event has ran annually since 2010. Strictly Inverness continues to grow in popularity and provides both charities with much needed additional income. The 1st event in 2010 the two organisations shared surpluses of £6,400 from the event. Over the past 5 years the surplus achieved through hard work and ingenuity has risen significantly, this year 2015 both partners expect their share of surplus to exceed £75K. Hopefully this activity shows the Inverness Ice Centre is constantly diverse methods of raising cash using all assets available to it.

The centre has also produced a number of Olympians, Paralympian's, and World and European champions in Curling and in recent years the Synchronized Skaters have attained medals at both British and International levels with them being voted Sports Club of the year in 2014 by Ross and Cromarty Sports Council.

With use of the centre increasing, the biggest challenge facing Inverness Ice Centre is the age and condition of its equipment which urgently needs to be replaced.

The remainder of this business plan makes the case for this investment.

2. Business Details

Address: Inverness Ice Centre, Bught Park, Inverness, IV3 5SR

Company No: SC234675

Charity No: SCO33343

Website: www.inverness-ice-centre.co.uk

No of directors: 9

Main contact: Tom Pendreigh, tom.pendreigh@btconnect.com, mobile 07720 440040, landline 01450 850200

3. Business Aims

The primary business aims of Inverness Ice Centre are as outlined in our governing documents:

- a) To operate and maintain an ice centre, sports club and associated facilities or any other appropriate facilities.
- b) To make sporting and associated facilities available to the general public, sports teams, clubs and to organise and promote sporting activities, competitions, matches and events of all kinds.

In addition, for the period covered by this business plan, we have a specific business aim of an improvement programme to be done in two phases as finance becomes available.

Phase 1: There is an urgent need to replace the centre's outdated plant and equipment including ice pad and barriers.

Phase 2: Modernisation of existing user facilities including toilets, changing areas, café and lounge bar. Phase 2 will be considered only when Phase one is completed.

4. The Project:

The current plant and equipment at Inverness Ice Centre was installed in 1968 when the facility first opened and has been in continuous operation ever since.

It is the oldest existing ice plant in the UK and, at almost 50 years old, is showing its age. It is inefficient to run, requires constant maintenance and, with mounting, expensive repair costs the greatest fear is that the plant will suffer a major breakdown causing the ice centre to close for at least six months.

4.1 Project finances:

To date, Inverness Ice Centre has been entirely self-financing. However, upgrading this vital equipment is beyond our financial capacity and external investment is needed.

The total cost of the project is £708,105 for the following plant and equipment:

• Chiller unit	£280,000
• Ice pad installation	£230,968
• New barriers	£162,812
• Connections Chiller Unit	£34,325

The Ice Centre team has successfully secured a funding package:

- £345,000 from Sports Scotland.
- £50,000 from Inverness Ice Centre's own reserves
- £34,325 Inverness Ice Centre staff labour and contractor fees

In addition, we have provisional commitments from:

£40,000 from HIE subject to the funding gap being approved.
£67,000 loan from The World Curling Federation

With this confirmed and provisional funding package, the project requires a further £171,870 investment which we intend to seek, in the first instance, from The Highland Council's Capital Grant Programme.

5. The need:

Without this critical investment to upgrade the centre's ageing and unreliable plant and equipment, the board of directors faces the prospect of a breakdown in the plant which would force the centre to close with the potential loss of 9 FTE jobs.

So is an ice centre for Highland really needed? We believe it is:

- A crucial sporting venue with local schools and colleges, attracting thousands of people every year of all ages and ability levels.
- Over the past two years a significant number of new users have been attracted to Ice Sports through 'Come & Try' advertised programs as an introduction to ice sport activity.
- The only ice rink in Highland region serving a catchment area from Sutherland in the north, Forres in the east, Kingussie in the south and Fort William in the west.
- Efforts to build other ice rinks, most notably Aviemore, have not been taken forward.
- 600 curlers, of which 550 take part in competitive curling, 220 skaters, 50 ice hockey players, with 550 additional users a week between the various clubs that operate from the centre. Inverness Ice Centre are pleased in the recent growth of Wheelchair Curling. We are host to Highland Wheelchair Curling Club whose members participate competitively in all local curling leagues and knockout competitions, in addition the Wheelchair Curlers have their own annual invitational competition.
- Much of Highland region is popular for winter sports. To not have an ice centre to complete the portfolio of leisure facilities would be a major loss to the region.
- If the funding gap cannot be closed, the centre will shut and the clubs and local people who are members of them will, inevitably, also fold.
- The centre's facilities are the only training venue for ice sports in the region. We have produced many national, European and World champions in curling and synchro skating. There is a smaller facility in Elgin but without a full curling schedule. If the centre were to close, the nearest ice centre of comparable size is Perth or Aberdeen.

In addition, the improvements required will bring obvious internal improvements to Inverness Ice Centre - notably the visible impact of the new ice pad and barriers - which presents the business with a real opportunity to attract more users. We also anticipate that a new, more efficient plant will give savings of up to 25% on energy costs which, in 2014, were nearly 90K.

Furthermore, the new chiller will make the ice-making process much more energy efficient. This will enable the business to make additional savings to be invested in further business improvements. We anticipate significant reductions in plant and repair costs, on average these costs over the past three years have been c £15,000 per annum.

The new plant will feature a remote monitoring facility which detects any fluctuations in operation. These readings are monitored by the installer who will advise of any on-going corrective actions needed to maintain maximum plant efficiency.

Cash surpluses are re-invested in the business.

6. The team.

Inverness Ice Centre has a board of voluntary directors who, collectively, bring significant commercial and sporting experience to the business.

Tom Pendreigh Chairman

Career background: Significant career experience in the agricultural sector with particular expertise in agricultural co-operatives. Runs a web based curling equipment supply business with three shops in conjunction with running the agri partnership in the Borders. Worked as a consultant for Sport Scotland in coaching roles.

Skills: Wide experience of the ice sports sector and strong management skills Member of all sub groups

Mike Green Vice Chairman

Career background: Career in the pharmaceuticals industry included working at some of the UK's leading hospitals.

Ran the pharmaceuticals department for Baxter Travenol before leaving the industry to set up his own business Wildday.com selling camping and caravanning equipment.

Skills: Extensive commercial and business growth experience. Member of board marketing and finance sub group.

Bob Jack

Career background: Director of insurance firm Towergate Insurance Brokers with specific responsibilities for staff management, health and safety and client care.

Skills: Extensive experience in staff training and management, health and safety. Member of Plant & Maintenance sub group

Steve Chisholm

Career background: Senior executive with extensive experience of Upstream Oil and Gas and Nuclear Industries. Steve has held a number of board positions on public, private and not-for-profit organisations.

Skills: Leadership and management experience plus wide working knowledge of effective boards. Member of board finance sub group.

Ian Fraser

Career background: Senior manager for over 20 years with Highlands and Islands Enterprise, last 5 years self-employed mainly working in Digital Media field.

Skills Project Management, Staff Training and Management, Marketing.

Ewan MacDonald

Career background: 24 years' experience in the Insurance and Financial sector becoming a Senior Partner in 2002 at the MacDonald Partnership.

Skills: Business development, market research and business negotiation.

Ewan is a Triple World & European Curling Champion, 7 times winner of the Scottish Curling Championships has represented Great Britain at the Winter Olympics no less than three times.

James McLiwraith

Career background: Significant career experience in the fabrication and engineering sector. His current role is as senior works foreman at DMH where current responsibilities include contract management, health & safety, staff appraisals and finance.

International Ice Hockey Federation Level two Coach. Chairman of Moray Firth Junior Ice Hockey Club and Highland Capitals Ice Hockey Club. Member of Plant & Maintenance sub group

Alison Kinghorn

Career Background: 20 years' experience in Chartered Accountancy working in varied sectors of business across the UK. Currently employed within the medical devices and diagnostics sector of Johnson & Johnson.

Skills: Project management, financial reporting/analysis, audit, budget forecasting and tracking process improvements and compliance.

Curler for over 25 years, former Scottish Junior Champion representing Scotland at World Junior Championships. Competed nationally & worldwide with the support of the Regional and Scottish Institute of Sport programmes for many years.

Stewart Sturrock

Career background: Career in sales for the last 15 years with Dc Thomson and PepsiCo. Successfully ran the R.C.C.C. Curling Academy for 6 years at Inverness Ice Centre.

Skills: Extensive experience in Sales and Marketing with a proven track record in high level coaching.

7. Finance

The overall trend is for a rise in income over the past three years. In 2012 income was £379,400 and in 2014 £383,495 and in two of the past three years the centre has returned a small profit.

While the majority of income comes from skating, curling and membership fees (£200,680 in 2014) the centre has successfully introduced other revenue streams including coffee shop, bar sales and vending machine which generated sales of £67,914 in 2014. As stated in the background section of this document, Inverness Ice Centre also partners The Highland Hospice to run the successful Strictly Inverness annual Dance Competition.

The centre has also been able to generate accumulated reserves of representing approximately four months of revenue expenditure.

In terms of expenditure, with the exception of wages and heat and light, by far the biggest outlay is repairs and maintenance for which the current plant and equipment dominate most of this budget (£19,933 in 2014 and £28,509 in 2013).

A cash flow forecast is provided in Appendix 1.

8. Risk Analysis

Risk	Rating	Impact on the Business	Actions to mitigate
Failure to retain/increase membership of existing clubs - Curling, Ice Skating & Ice Hockey.	Med-High	Potential loss of income.	<p>Recruit Sports Development Officer with Business and Commercial experience to promote all core sports.</p> <p>Ensure members aware of services provided. Market membership benefits.</p> <p>Replace ageing plant, floor and barrier and develop plan over next two years to upgrade facilities such as changing rooms, toilets and bar area to attract new corporate business</p>
Failure to maintain & increase general public usage, principally Ice Skating.	Med-High	Potential loss of income.	<p>Ensure the Business Development Plan prioritises time to invest in establishing new ways of increasing public footfall.</p> <p>Training for all staff.</p> <p>Enhanced Use of Social Media to promote Ice Centre Activity through Facebook and Twitter.</p> <p>Liaison with local accommodation providers to advising of facilities available at the Ice Centre.</p>

Failure to meet business plan targets

Risk	Rating	Impact on the business	Actions to mitigate
Plant Failure.	High	Loss of trading base.	Replace plant before failure.
Increase in utility costs.	High	Increased core cost base.	Review current utility agreement terms and identify cost saving opportunities. Replace ageing ice plant which is expensive to run with more modern low cost plant
Failure to retain commercial rental agreements.	Med	Loss of income.	Identify new and secure long term partnership agreements.
Storm/Fire/Flood damage.	Low - Med	Loss of income.	Initiate business interruption Insurance.

Personnel risk

Risk	Rating	Impact on the Business	Actions to mitigate
Failure to retain competent and experienced staff.	Med-High	Loss of expertise. Loss of corporate memory. Impact on company ability to instigate growth programs.	Maintain and seek to improve working conditions for valued staff. Staff annual appraisal system to be reviewed. Staff to be encouraged to attend skills improvement courses as identified. Involve staff in all projected business decisions.

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APPLICATION FORM FOR ORGANISATIONS APPLYING FOR GRANT AND DISCRETIONARY FUNDING AND FUNDING IN KIND FROM THE HIGHLAND COUNCIL – Over £10,000

Name of Organisation:

Visit Inverness Loch Ness Ltd

Name of Project or Activity Requiring Support:

Development of the South Loch Ness Trail

Which of the Council's funding streams are you applying to?

(Please provide closing date details where applicable)

Ward Discretionary Fund

Is the amount you are applying for:

£5,000 or under Under £10,000 £10,000 or over

Total amount applied for: £72,000 (incl vat).....

Estimated cost of funding in kind applied for: £...0.....

Please detail what funding in kind has been applied for e.g. Council staff time, use of premises or equipment, waiving of fees or administration support

zero

What type of organisation are you? (please tick all that apply)

Third Sector (voluntary or community) organisation	<input type="checkbox"/>	Community Council	<input type="checkbox"/>
Registered Charity If yes – Registration number	<input type="checkbox"/>	Company Limited by Guarantee If yes – Company Number ...SC 474489.....	<input type="checkbox"/>
Other - please specify.....			

Please remember guidance to completing the application form is available [here](#). Appropriate links to the guidance are situated throughout the form: [This page](#)

For official use only Application reference number			
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PART 1: ABOUT YOUR ACTIVITIES OR PROJECT

Guidance on completing part 1: ABOUT YOUR ACTIVITIES OR PROJECT

1.1 What is the name of your activity or project?

Development of the South Loch Ness Trail

1.2 When will your activity or project take place? (specifically those for which you are seeking an award from The Highland Council)

Start date (month and year) July 2016.....

End date (month and year) April 2017.....

Location: on land between Loch Tarff and the entrance to the Glendoe Hydro Scheme, near Fort Augustus.....

1.3 What activity or project do you want us to support?

For example:

- *Aims of the project and how you are going to do it*
- *Help with running costs or for a specific project or activity?*
- *Who will benefit*

Please note that the Council will be unable to provide any resources not specified on this form or supporting information.

Visit Inverness Loch Ness Ltd (VILN) wish Highland Council to support the development of the South Loch Ness Trail (SLNT), specifically the construction of a new section of trail between Loch Tarff and the entrance to the Glendoe Hydro Scheme.

The South Loch Ness Trail developed by Destination Loch Ness (out of which Visit Inverness Loch Ness evolved) was launched in 2011. Presently twenty -eight miles in length the trail stretches from Inverness down the 'south side' of Loch Ness to Loch Tarff. On the assumption that SSE plans to construct a section of trail from Fort Augustus to Glendoe Hydro Scheme site entrance goes ahead*, completion of the section from Glendoe entrance to Loch Tarff will not only complete the South Loch Ness Trail but also complete the final link in the creation of a circular trail around the whole of Loch Ness.

When the South Loch Ness Trail was initially developed it was done so on the basis of the potential of the trail to stimulate regeneration on the south side of Loch Ness. Since its launch in August 2011 the growing number of users of the route (cyclists, walkers and horse riders) have undoubtedly had the desired effect with a number of new small businesses now thriving along the route of the trail and for whom the existence of the trail is a significant selling point to entice their potential visitors to stay longer and spend more in the area.

However, in 2011 it was also recognised that much more significant economic regeneration of not only South Loch Ness but ther broader Loch Ness area could be achieved by completion of the section from Loch Tarff down to Fort Augustus. By providing the link to the Great Glen Way which passes down the north side of Loch Ness and thus creating a circular trail around Loch Ness, it will open up huge marketing opportunities for the area (eg for new events, promotion as another of Scotland's long distance trails) all of which will attract more visitors to the area, increase accommodation bookings, increase the level of visitor spend and length of stay in the

area, create more jobs and thus ultimately make Loch Ness as a whole, a more sustainable destination.

**It is recognised that whether-or-not SSE construct the section from Fort Augustus to Glendoe is dependent on the Stronlaig wind farm development ultimately going ahead. If it does not go ahead, it is important to emphasise that Visit Inverness Loch Ness would seek to gain further funding in due course to ensure that this section was eventually completed such is the potential economic benefit to the whole of the Loch Ness area in doing so.*

1.4 Does your activity or project involve building or landscaping work?

Yes No

If yes please answer both a) and b) below.

a) Does your organisation (Please tick):
Have ownership of the land or building

Yes No

OR

Hold at lease of at least 5 years that cannot be ended by the landlord?

Yes No

b) Is planning permission needed for your project? Tick one option below.

Planning permission not required

Planning permission required and has been granted *Required but **not applied for as yet***

1.5 Please tell us how your project or activity will help the Council to meet its Public Sector Equality Duty to:

- Get rid of unlawful discrimination, harassment and victimisation;
- Make sure that people from different groups* are treated fairly and have equal chances to use services and that there is more equality between groups*;
- Make sure that people from different groups* get on together.

*Groups are people who have "protected characteristics" in the Equality Act: age, gender reassignment, pregnancy and maternity, religion or belief, sexual orientation, disability, marriage and civil partnership, race and sex.

For example are people with protected characteristics likely to face barriers; how you intend to tackle these barriers; does your project promote inclusion?

The project will help the Council meet its Public Sector Equality duty by constructing the trail to a standard that makes it as accessible as possible to all groups who have protected characteristics in the Equality Act

1.6 Where relevant and appropriate please describe any contribution your project may make towards promotion of the Gaelic language?

N/A

1.7 Please tell us if you have spoken to anyone about your application for advice and support – e.g. Local Highland Council Elected Member, Community Council Member, Council Staff, local Council for Voluntary Service (CVS) – If yes, please provide details:

VILN has spoken to Charles Stephens, Aird & Loch Ness Ward Manager for advice and support

1.8 Please tell us about any funding in kind you are seeking from the Council:

Detail i.e. premises, facilities, staff time, waiving of fees	Estimated value
N/A	

1.9 Please provide a breakdown of how much will your activities/project will cost and how much **Funding you are applying for from The Highland Council:**

Item/Activity	Breakdown of Total Costs £	Year 1 £	Year 2* £	Year 3* £	Total £
Staffing	N/A				
Other Costs e.g. property costs, transport, equipment, insurance, marketing	Based on the 'proposed route' (see attached documents) Construction of new build, off road Construction of new build, roadside verge Existing track All other construction costs (see attached costings doc. for details) Project Management Consents Contingency (5%)	All figures are excl vat £92,664 £62,307 £255 £28,880 £16,000 £1,000 £10,055			
Total Project Cost £		211,161			
Total Funding Request £		£60,000 exclVAT £72,000 incl vat			

1.10 **Other funding relating to this project** Please include other funders and own resources and income. Continue on separate sheet if required.

Organisation and status of application	Year 1 £	Year 2* £	Year 3* £	Total £
SSE Successful <input type="checkbox"/> Unsuccessful <input type="checkbox"/> Awaiting Decision <input checked="" type="checkbox"/>	£92,053			
Fort Augustus Community Trust Successful <input type="checkbox"/> Unsuccessful <input type="checkbox"/> Awaiting Decision <input checked="" type="checkbox"/>	£10,000			
Stratherrick & Foyers Community Trust Successful <input type="checkbox"/> Unsuccessful <input type="checkbox"/> Awaiting Decision <input checked="" type="checkbox"/>	£10,000			
Highland Leader programme Successful <input type="checkbox"/> Unsuccessful <input type="checkbox"/> Awaiting Decision <input checked="" type="checkbox"/>	£20,000			
Visit Inverness Loch Ness Ltd Successful <input type="checkbox"/> <input checked="" type="checkbox"/> Unsuccessful <input type="checkbox"/> Awaiting Decision <input type="checkbox"/>	£16,108			
South Loch Ness Tourist Group/Fort Augustus T G/ South Loch Ness Access Group combined Successful <input type="checkbox"/> Unsuccessful <input type="checkbox"/> Awaiting Decision <input checked="" type="checkbox"/>	£3,000			
Totals	£151,161			

*See guidance notes for specific funding stream to see if you are able to apply for more than one year of funding.

- 1.11 Please tell us how you know that there is a need for this activity or project and how your approach will meet this need. This might include:
- a. Community support for your project (e.g. surveys, etc.)
 - b. Statistics which show the need for your project (e.g. unemployment figures, crime statistics)
 - c. Evidence from similar projects which shows that they have worked (e.g. research from elsewhere or evaluations of previous local work)

Aside from the need implicit in the recognition of economic benefit to the area as outlined in Section 1.3, the need is also evidenced by the growing numbers of users of the SLNT over the past four years, reflecting not only greater visitor numbers to south Loch Ness but also the continued popularity of walking as a holiday pursuit. This is best evidenced by the sale of maps of the SLNT (produced by Destination Loch Ness in partnership with Harvey's Maps) which, three years after its launch in 2013, remain strong. In 2015 195 maps were sold. The need is also evidenced anecdotally by local businesses who speak of the increased number of their visitors walking sections, if not all, of the SLNT.

Community support for the SLNT has been strong since the launch of the trail in 2011 when considerable local consultation was undertaken to gauge the level of support. The continued community support for this development of the trail is evidenced by possible financial support for the project from both the community trusts of Stratherrick & Foyers and also Fort Augustus. Also, the possible involvement in this project of the local tourism groups and access group. The South Loch Ness Tourist Group and South Loch Ness Access Group were involved in the initial development of the trail and both groups committed further financial support in 2015 for improvements to the trail near Dores (to be completed in 2016).

- 1.12 Is this a new or additional activity or project? – Yes No

If yes, what change will your activities or project make in your community?

On the basis that SSE eventually build the section of trail between Fort Augustus and Glendoe Hydro Scheme entrance, completion of this project is, as outlined in Section 1.3, potentially transformational to the communities of not only south Loch Ness but around Loch Ness as a whole. It will make the link to the Great Glen Way on the north side opening up huge opportunities to promote a '360 trail around Loch Ness' with the obvious attractions to both the long distance walker, cyclists, horse riders and event organisers, all of which will ultimately bring more visitors, to stay longer and spend more in area, attract new businesses and help to create more sustainable communities.

If No, how has your activities or project been funded in the last three years?

- 1.13 Please tell us how you will know that your activities or project is working and that you are benefiting your community. You only need to provide targets for the years in which your project will operate. See the detailed guidance for examples of targets.

How you will know you have made the change?		
Year 1 Measurable Outcome	Year 2 Measurable Outcome*	Year 3 Measurable Outcome
Number of users of the trail that access it at the new start point at the entrance to Glendoe hydro Scheme. <i>Target 300</i>		
Number of users that pass through the previous 'start point' of the trail at Loch Tarff. <i>Target 300</i>		
SLNT map sales: <i>Target 230 (195 in 2015)</i>		

- 1.14 If it is intended that this activity or project continue beyond the period of Council support, how will it be funded?

Maintenance of the SLNT over the section covered by the project will be funded by VILN, (as it already is over the rest of the SLNT)

PART 2: SPECIFIC QUESTIONS RELATING TO THE FUNDING STREAM WHICH YOU ARE APPLYING TO:

(Ward Discretionary Budgets)

There are no additional questions for Ward Discretionary Budget applications.

Please continue to PART 3: About your organisation

PART 3: ABOUT YOUR ORGANISATION

Guidance on completing part 3: ABOUT YOUR ORGANISATION

3.1 What is your organisation's name and address?

Organisation name

Visit Inverness loch Ness Ltd

Organisation address

c/o Forestry Commission, Tower Road, Smithton, Inverness

Postcode IV2 7NL

Website

www.visitinvernesslochness.com

Council Ward (see guidance note to clarify which Council Ward the project or activity will cover)

Ward 13

3.2 Who is the main contact for this application? (They must have a good knowledge of the organisation and this application)

Name

Title: Mr

Forename/s: Graeme

Surname: Ambrose

Position in organisation:

Chief Executive

Address

c/o Forestry Commission, Tower Road, Smithton, Inverness

Postcode IV2 7NL

Phone number

Day: 01463 219219

Evening: 07786358941

Email address

graeme@visitiln.com

Does the main contact have any communication needs? E.g. textphone, sign language, large print? YES NO

If yes, what are they? (maximum 20 words)

3.3 a) When did your organisation start? Month April..Year 2014.....

b) What geographic areas and/or communities of interest (e.g. Young people, people with disabilities, older people, people from an ethnic minority background) does your organisation cover?

The organisation covers a geographical area of 1,250 sq. miles, from Fort Augustus, to Inverness and beyond out to Inverness Airport, north to Cannich and south as far as Tomatin.

c) Is there any restriction on who can join your organisation?

Yes No If yes, what are they and why do you have them?

Visit Inverness Loch Ness Ltd is a Tourism BID and although only 400 local tourism businesses are automatically included, any other business in the area has the option to 'opt in' and benefit from the services and activities undertaken by the organisation. At present 50 members are opt-ins

d) How many people are on your governing body or management committee? 12

e) Are there Highland Council Elected Members or Officers or Community Councillors on or attending your Management Committee or Board? *(please note that this will not affect your application)*

Yes No

If yes, please provide names:

Highland Council Elected Members	Role i.e. Office Bearer, Voting Member, Ex-official / advisory, other
Cllr. Helen Carmichael	Director

Community Councillors	Role i.e. Office Bearer, Voting Member, Ex-official, other

Council Officers	Role i.e. Office Bearer, Voting Member, Ex-official, other

3.4 Does or has your organisation receive(d) any other funding from The Highland Council? Please provide information relating to Council funding for the last 3 years:

Yes

No

If yes –

a) What is/was it for, and from which Service or Ward budget was it provided?

Year 1:
<p>1) Year 1: July 2014 – From the tourism development grant scheme budget to Visit Inverness Loch Ness Ltd to provide services and projects on behalf of the local tourism industry</p> <p>2) December 2014 – From the tourism development grant scheme to design and produce Highland branded materials for Visit Scotland Expo in 2015</p>
<p>3) Year 2: April 2015 – From the tourism development grant scheme budget to Visit Inverness Loch Ness to provide services and projects on behalf of the local tourism industry</p> <p>4) May 2015 – From the Common Good Fund for Business Tourism</p> <p>5) September 2015 – From the Common Good Fund towards the cost of hosting the International Knit Festival</p> <p>6) November 2015 – From the Major Events Fund towards the cost of hosting the Inverness Loch Ness International Knit Festival in September 2016</p>

b) How much funding do/did you receive?

<p>Year 1: £10,000 £2,750</p>
<p>Year 2: £10,000 £20,000 £4,500 £4,500</p>

c) Estimated value of existing funding in kind, and from which Service or Ward budget was/is it provided?

Year 1: N/A
Year 2: N/A
Year 3:

CROMARTY HARBOUR TRUST**PROPOSAL TO HIGHLAND COUNCIL****21 November 2015****CAPITAL REQUEST TO PROVIDE A SAFE BERTH
FOR A CAR FERRY IN THE CROMARTY HARBOUR**

1. INTRODUCTION

The Cromarty to Nigg ferry did not operate in 2015. The most recent contract holder withdrew his services as the usual berth in Cromarty Harbour was no longer safe to use. The contract with Highland Council had not reached the end of its contracted term. The economic cost to the Black Isle and Nigg and Shandwick communities has been significant.

The Cromarty Harbour is the natural location for the Cromarty to Nigg ferry to operate from. It is also the most convenient and economic location for the ferry to operate.

Urgent capital is required in the Cromarty Harbour to provide a safe berth solution for a renewed car ferry service in 2016 that will provide all tenderers with an equal opportunity.

The new Contract for Service is being prepared by the Highland Council now which will invite new tenderers to reintroduce the ferry operation in 2016. This highlights the need to conduct these works without delay.

This paper outlines the nature of the capital request being made to Highland Council by the Cromarty Harbour Trust.

2. BACKGROUND

The Cromarty to Nigg ferry has operated on this same route for over 400 years as part of the "King's Ferry" or "King's Route" dating back to James IV. The ferry has supported commuting workers to Nigg and Invergordon in the past.

The Highland Council has supported the ferry crossing for many years by way of a "Contract for Service" whereby the council pays an annual sum to ensure a minimum service level is established. The ferry service provides a significant tourist boost to the region and is a major attraction in The Highlands.

The Cromarty Harbour has existed for over 200 years and has been a center for ferry, trade, fishing, naval and community activities throughout that time. The Cromarty Harbour has been the historic port of the Cromarty to Nigg ferry and should continue to be so as it is ideally placed and is the closest harbour to the crossing.

During World War I, the Cromarty Harbour had reinforced concrete extensions made by the Royal Navy. Those extensions are mostly still in existence but are largely unsafe to operate from apart from in emergency situations.

A considerable amount of work has been done with engineers and the Trustees and Officers of the CHT to develop a few options that would allow minimal impact on historic structures and provide a permanent safe berth for a ferry sized vessel.

All estimates to date to complete the works have been circa £50,000 with little deviation from this sum.

3. APPROVAL REQUEST to THE HIGHLAND COUNCIL

The proposal asks for Approval in Principle from the Highland Council for:

1. A capital amount of £50,000 for the total cost of making a permanent safe berth for a vessel suitable to conduct the Cromarty to Nigg ferry operation, subject to :
 - a. Thorough examination of berthing options, and,
 - b. Full engineering specifications being completed, and,
 - c. Full project costing.



4. BERTH OPTIONS CONSIDERED

Alternative options identified are:

4.1 Do Nothing

Not recommended as the outcome may result in no ferry tenderer in 2016.

4.2 Mooring Piers

A proposal to install 2 to 3 mooring piers alongside Smeaton's Mole that will have minimum impact on the existing reinforced concrete structures. There will also be a floating pontoon to allow safe crew movements to and from the wharf and vessel.

The method involved a small drill rig to install 4-6 100mm PVC columns, these are then strapped together and sheathed with a 600mm steel casing which is then filled with concrete.



4.3 Replace I-Beam Steel Uprights

There are existing steel I-beams installed vertically against the reinforced concrete structure on Smeaton's Mole. These steel beams are deformed through abuse and have suffered such corrosion that they are in need of replacement.



4.4 Other Potential Solutions

Through the engineering phase of the project, it is possible that other more appealing and cost effective solutions may be found. The CHT will consider all options.

5. CROMARTY HARBOUR TRUST MANAGEMENT

CHT was created by an Act of Parliament in 1834 and, under this Act as revised, there are six trustees: three appointed by The Highland Council (in consultation with the local Community Council), the Laird, the MP and the Sheriff Principal. The current chair is Cllr David Alston.

The trust has appointed two officers under the Act:

- Anthony Vandyke (Treasurer)
- Nigel Shapcott (Clerk)

Harbour Revision Order

In late 2015, the current trustees are applying for a Harbour Revision Order (“HRO”) to change the constitution of the trust in line with Scottish Government’s *Modern Trust Ports for Scotland - Guidance for Good Governance*.

Following this there will be six trustees, appointed by an open, transparent process on the basis of the skills and experience of the applicants and the needs of the Trust.

Harbour Management Group

In order to manage the transition of management to the new Board of Trustees, a Harbour Management Group (“HMG”) has been established, reporting to the chair. The

HMG is to discharge the responsibilities of Harbour Master and to manage the activities of the Cromarty Harbour Trust through to the coming into force of the HRO.

The HMG is currently made up of the following people:

- Anthony Vandyke (Chair)
- Sarah Pern (Trustee)
- Nigel Shapcott (Clerk)

We are currently aware that Sarah Pern will seek re-appointment for a further term as a trustee. Both Anthony Vandyke and Nigel Shapcott will also be applying to become trustees.

6. THE ECONOMICS OF THE FERRY LOSS

The economic cost of no ferry is significant to the communities of the Black Isle and of Nigg and Shandwick.

There is ample evidence of the number of vehicles, bikes and foot passengers that have been identified on either side of the crossing, not aware of the ferry not running. Even assuming that just 15% of these then bypass the communities on either side leads to an economic cost of £48,000 per annum and a value impact greater than £400,000.

Economic Cost of Loss of Cromarty tyo Nigg Ferry		
Normal number of passengers per day @16,000 for 4 mon	133	
Numbers appearing in absence of a ferry		% of Total
Number of cars per day arriving but no ferry	10	
Number of passengers per car	2	
Number of car passengers	20	
Number of bikes per day	10	
Number of others per day	10	
Total Missed per Day	40	30%
Assume 50% Attrition	(20)	50%
Total Passengers Lost to Blask Isle and Nigg	20	15%
Spending Patterns		
Assume spend £20 per person on Black Isle and Nigg	£	20
Economic Cost per day of Ferry Loss	£	400
Cost for Tourist 4 Months and Per Annum	£	48,000
Value Lost to Communities	£	408,651

7. CROMARTY HARBOUR TRUST IMMEDIATE CAPITAL REQUIREMENTS

The safe berth for a ferry is just one of many projects needed or underway.

The CHT is a profitable operation but there are insufficient funds available to complete all necessary capital works. The planned dredge is desperately needed in 2016 and will exhaust most cash reserves.

The CHT has made provision for the dredge which is required every 5 to 6 years to maintain a suitable depth in parts of the harbour.

Cromarty Harbour Trust - Harbour Capital Requirements	
Capital Item	£'000's
Safe berth for ferry	50.0
Safety Kit and Spares	5.0
Replace Fuel Tank	5.0
Harbour Hand Rails	20.0
Sounding for Dredging	5.0
Dredge	15.0
Electrical	10.0
Wave Attenuation Solution	50.0
Additional Pontoon West Pier	20.0
Total	180.0

8. CROMARTY HARBOUR LARGER RESTORATION PROJECT

The request being made in this paper is also part of a larger restoration project for the Cromarty Harbour.

Cromarty Harbour is an historic structure and is Listed A by Historic Scotland and the listing includes all masonry and reinforced concrete structures of the harbour.

The reinforced concrete structures are now 100 years old having been built in World War I as part of establishing the Cromarty Firth as a major Royal Navy port. The Cromarty Harbour again served this purpose in the World War II.

The remaining reinforced concrete structures from World War I are now in a poor state and require significant funds to complete a full restoration project.

The restoration project also provides the CHT and the Cromarty community with a new opportunity to review the purpose of the harbour and its piers and to consider other alternative uses for the harbour, be they maritime or recreational.

It is an opportunity to reinvigorate the Cromarty Harbour and to see it once again become a centre of activity and to provide renewed purpose for future generations.

The capital requested in this paper will not be wasted in the context of this larger restoration project. We will ensure that this capital is used for structures that are in

keeping with the aesthetics of the harbour and will be an essential part of the larger restoration project.

9. NEXT STEPS FOR THE CROMARTY HARBOUR TRUST

- Seek formal engineering design alternatives for a safe ferry berth.
- Provide The Highland Council with a final engineered and costed safe ferry berth proposal.
- Implement the safe berth.

The Highland Council

10 March 2016

Agenda Item	
Report No.	

Alexandra Footbridge, Tain Repair and Refurbishment Project

SUMMARY

This report invites Members to approve proposals for an additional funding contribution, towards the cost of the scheme to repair and refurbish the Alexandra Footbridge in Tain

1. Background

- 1.1 The Alexandra Footbridge is in the ownership of Tain Common Good (TCG).
- 1.2 The bridge is Listed Category “B”, by Historic Environment Scotland (HES). (Listing brings an obligation on the owner to maintain and care for the structure).
- 1.3 Dating from 1902, the bridge was manufactured by Rose Street Foundry, Inverness. The importance of the bridge is well recognised locally.
- 1.4 The metal and timber structure has a single span of some 43 metres, and provides a crossing of the River Tain, near its mouth at the Dornoch Firth.
- 1.5 The bridge carries, and is at the convergence of three Core Paths, which are identified in the Core Path Plan adopted by the Council.
- 1.6 In 2014, Members approved a financial package in order to repair and refurbish the structure. That financial package which enabled the award of a contract to repair and refurbish the bridge was made up as follows:

	Amount
Tain Community Council	£5,000
Tain & Easter Ross Ward Budget	£11,935
Historic Environment Scotland	£98,895
HC Capital Discretionary Fund	£50,000
Tain Common Good	£176,670
Total	£342,500

- 1.7 From the outset it was recognised that this was an unusual project with a significant level of risk due to the number of unknowable factors. Several areas of the structure (such as the foundations, lower tower sections and ground sections below the main support anchorages) could only be inspected after it had been dismantled, for restoration or repair. To reflect this risk a contingency sum of £50,000 was set aside in the resource package. This sum has been

fully utilised. The most significant call on the contingency related to repairs to the primary suspension ropes. An allowance had been made for repair work to these ropes but some elements turned out to be very significantly corroded. In keeping with the ethos of conservation only the most damaged sections were replaced and the new sections of rope spliced into the original rope. Additional costs were also incurred as a result of the much greater than expected quantity of wrought iron required which meant that the contract time had to be extended. Spend on works to the end of December 2015 totalled £238,370 with a further £26,542 paid in January 2016 bringing the works spend to £264,118 to date.

2. Current Position

- 2.1 Work to the bridge commenced in May 2015 and works were substantially complete in November 2015, at which time the bridge was reopened to public use.
- 2.2 Some minor items of work remain to be carried out by the Contractor, and these are not of significant concern. Their completion is important, however, to the final drawdown of Grant monies from HES.
- 2.3 More significantly there remains an issue in relation to the bridge side panels. The side panels to the bridge which were in place before work started had to be replaced. They were not original to the bridge, were not in keeping with its character and Listed status, and were in a dilapidated state. In consultation with Historic Scotland (now HES) a diagonal style of mesh frame was chosen. This has resulted in problems in terms of maximum achievable panel size, the fixing method to the structure and between panels, and with application of the protective coating.
- 2.4 The protective coating has been noted to the contractor as defective. Once a solution has been designed, it will be forwarded to HES for comment, prior to instructing an agreed installation. The fixing of the panels is a separate issue. The method of fixing agreed with the contractor has proved insufficient to accommodate the flexing of the bridge that occurs. The TCG engineer and contractor are currently reviewing this and seeking an alternative long term solution. The solution will have to be agreed with HES and there will be additional costs incurred to carry out the work. It is not possible to confirm the amount until the solution has been agreed, however the TCG engineer and contractor have agreed what they believe to be an effective and appropriate solution.
- 2.5 The complexity of the work has also incurred higher levels of project management costs than originally anticipated. The original estimate was that non works costs would total £103,050. To date spend has been £108,695, i.e. £5,645 over the original estimate. Some additional project management cost to achieve completion is expected as details in paragraph 3.3 below.

3. Additional Project Costs

- 3.1 Additional project costs are expected around:

- The amended fixing solution required for the bridge side panels
 - project management/design work re the panel fixing solution
- 3.2 As noted in paragraph 2.4 above the TCG engineer and contractor have agreed what they believe will be an effective fixing solution which is also appropriate given the bridge's listed status. Detailed drawings are being prepared and will be submitted to HES for comment and approval. The estimate for the additional work is £15,000 but this cannot be finally confirmed until HES approval is in place.
- 3.3 There are also ongoing project management costs including side panel design, consultation with HES, and advice from a historic metalwork consultant as required by HES as a condition of their Grant to the scheme. The estimated out turn includes an assumed sum of £7,500 in relation to this.
- 3.4 The budget sum shown at present contains only an allowance for construction contract retention monies which will fall due for payment in financial year 2016/17. The amount may be expected to be around £4,250, with the precise figure being 1.5% of the final contract value.
- 3.5 As outlined in the report above there have been additional costs incurred during refurbishment due to the complexity of the project. The project is close to completion but an appropriate fixing solution is required for the side panels. The temporary fixings are not suitable in the long term and without an appropriate solution being put in place the remaining HES grant could be withdrawn. It is estimated that to complete the project, and therefore also to secure the Grant contribution from HES, an additional £52,813 of funding will be required. Members are asked to agree that a Council contribution of £26,406 be approved from the Capital Discretionary Fund with the remainder to be paid from the Tain Common Good Fund. This would bring the Capital Discretionary fund contribution to £76,406 and the TCGF contribution to £203,076.

4. Implications

- 4.1 **Resource** implications are highlighted in the covering report.

Additional information is as follows:-

The funding for the Council's additional contribution to the cost of these additional repair and renovation works would be from the Capital Discretionary Fund and the Tain Common Good Fund.

The Tain Common Good Fund Usable Reserves stood at £401,154 as at 31st March 2015. A deficit of £53,578 is anticipated in the current year. This deficit will reduce the balance of the Usable Reserves. For 2016/17, based on the budget approved by the Ross & Cromarty Area Committee in November 2015, a deficit of £16,539 is anticipated which would again reduce the Usable Reserves balance. However this anticipated deficit does not include the additional work required as the costs were not known at the time. It was noted the figures would need to be adjusted once final costs were known.

- 4.2 There are no specific legal, equalities, climate change/Carbon Clever or Gaelic implications to highlight.
- 4.3 **Risk Implications** - if additional funding is not available to complete the outstanding project items, it may be that the Grant contribution of almost £100,000 will be withdrawn by HES.

5. RECOMMENDATION

- 5.1 Members are invited to approve an additional contribution of £26,406 from the Capital Discretionary Fund and note the additional cost to the Tain Common Good Fund in order to fully achieve the repair and renovation of the Alexandra Bridge.

Designation: Director of Finance

Date: 29 February 2016

Report Authors: Helen Ross, Senior Ward manager (CSER)
David MacKenzie, Chief Structural Engineer

Background Papers: Reports to Resources Committee, 10 April 2013 and 27 August 2014.

The Highland Council

10 March 2016

Agenda Item	
Report No	

Application to Capital Discretionary Fund 2015/16: Embo Trust - New Embo Community Centre.

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

Summary

The Embo Trust, a registered charity and Company Limited by Guarantee formed in 2007 is based in Embo Village, Sutherland. It is seeking capital discretionary funding of £70,000 for the development of a new Community Centre and Restaurant at the Old School, Embo. This report recommends that Members approve the application subject to the full funding package being secured.

1. Background

- 1.1 The Old School, Embo was built in 1859 and used as the school for Embo and surrounding district for 130 years. The school closed in the early eighties and other than occasional use as a Polling Station it has lain virtually empty since. The village of Embo and neighbouring communities have had no community facility.
- 1.2 In November 2012 Embo Trust purchased the Old School from Highland Council in order to safeguard it for the local community and with a view to providing a Community Centre. £2,500 Ward Discretionary Budget was awarded to the group to support the cost legal fees etc. They also carried out a formal Community Consultation in the form of a questionnaire delivered to all homes in the village area. This indicated there was a need for a local café, a youth facility and a meeting place for Clubs/activities etc.
- 1.3 At the end of March 2014 the local shop in Embo village closed. To keep a local shopping facility available the Embo Trust opened their own Community shop run by volunteers, using a temporary base in the Embo Football Club pavilion. A ward discretionary grant of £4,325 covered the cost of shop fitting and architect's fees etc. This Community run enterprise is doing well. The intention is for this shop to be re located to the new Community Centre as a permanent home where it will also provide an income stream to support the project overall.
- 1.4 In October 2015 the Trust carried out a further Community Consultation including two public meetings and a questionnaire. This consultation included communities and Crofting Townships out with the village itself. The result of these consultation exercises was to clearly identify a need and desire to have a Community facility in Embo to accommodate Clubs and activity groups as well as providing a meeting place hub/facility for all ages and for all surrounding communities.

- 1.5 As well as the provision of a Community Hub for activities and clubs Embo Trust also intend running a café/bistro both within renovated building utilising outside space and decking . This provision would complement similar service currently provided by nearby “Grannies Heilan Hame” holiday park. There has been discussion and support with the holiday park management who foresee benefit for all with added facilities in the local area.

2. Project Development

- 2.1 With the building secured and consultation complete the Trust was able to develop their project plans and in November 2014 they successfully applied to the Big Lottery and secured a development grant. This development grant allowed them to have plans drawn up and to submit a planning permission application and also to undertake market research to help develop their business plan.
- 2.2 Planning permission for the new Community Centre was approved by the Highland Council at the end of October 2015.
- 2.3 With Planning permission in place and a clear project plan the Trust worked with local agencies and funded to build a funding package. Details of this proposed funding package, including the application for Capital Discretionary Funding, are outlined below.

3. Funding Request

- 3.1 The Embo Trust is requesting £70,000 in first year from the Council’s Capital Discretionary Fund to support the new £1.187m Community Centre and Restaurant at the Old School Embo. The full funding package will be made up as follows:
- Big Lottery – (75% of total capital) £845,309 Decision due July 2016.
 - Big Lottery – (Revenue) £60,000 over three years decision due July 2016.
 - HIE - £50,000 requested. To be confirmed subject to final Business Plan early 2016.
 - SSE-Sustainable Development Fund £50,000, decision due April 2016.
 - Postcode Community Trust- £20,000, Decision due April 2016
 - Local Bequest-£20,000
 - Community Shop- £20,000 would be full amount available by March 2016.
 - Robertson Trust- £20,000 decision July 2016
 - Highland Council Carbon Clever - £15,000 confirmed February 2016.
 - Weir Trust - £7,960, decision April 2016.
- 3.2 The local East Sutherland and Edderton Ward Members have been consulted in relation to this project and are fully supportive.

4. Implications

- 4.1 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. The new building will provide a Community Centre from a currently disused stone building with reduced energy use and costs because of an air source heat pump and in addition within the café a log burning stove. Recycling of green waste generated in the café/bistro and shop in composting bins will be utilised on Trusts own runrig land locally.

4.2 Legal Implications

There are no legal implications.

4.3 Resource Implications

Resource implications are highlighted in the covering report.

4.4 Gaelic Implications

New signage will have appropriate Gaelic interpretation, as set out in the Council's policy on signage. There will also be a focus and display of local culture and heritage within the new building including the local East Sutherland Gaelic culture.

4.5 Rural Implications

The new Community Centre will create job opportunities in a fragile rural economy with 3.25 FTE positions in the café/bistro and another 0.5 FTE will be created to cover administration and finance. During the renovation stage there will be another 0.5 FTE position of Project Coordinator to act as the Trusts representative. In addition there will be a Centre Coordinator to develop activities and services offered, this will be a 0.5 FTE three year post. The development will provide a greatly improved service to the people living in Embo and surrounding area, and ensure a fit for purpose facility is created for locals and visitors alike.

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

Recommendation

The Committee is invited to approve a contribution of £70,000 from the Capital Discretionary Fund 2015/16 towards the Embo Trust Community Centre project, subject to the full funding package being put in place.

Designation: Director of Finance and Head of Policy and Reform
Date: 29 February 2016
Author: Garry Cameron, Temp Ward Manager, Ward 5.

Annex 1- Embo Trust Capital Discretionary Report



An Application Form for Organisations Applying for Grant and Discretionary Funding from The Highland Council

Please note that all applications must fund activities that contribute to the Council's priorities

PLEASE READ APPLICATION GUIDANCE AND AWARD CRITERIA BEFORE BEGINNING TO COMPLETE THIS FORM.

IMPORTANT

Please use this form to apply for grant or discretionary funding or funding in kind (for example, Council staff time, use of premises or equipment, waiving of fees or administration support)

Part 1: To be completed by all applicants.

Part 2: To be completed by all applicants apart from questions 2.11 to 2.15 which only require to be completed by applicants requesting £10,000 or more of support.

Part 3: To be completed by applicants where applicable. For some funding schemes you may not have additional questions to complete.

Part 4: For all applicants to complete.

Part 5: For all applicants to complete.

For official use only Application reference number			
---	--	--	--

Which of the Council's funding streams are you applying to? (tick and use a separate form for each award applied for)

- Ward Discretionary Fund: Name of ward(s)?.....
- Common Good Fund: Name of Fund:.....
- Village Halls.....
- Arts Promoters.....
- Sports Council Grant Scheme.....
- Tenant Participation.....
- Highland Culture Programme.....
- Landfill Tax Scheme.....
- Mental Health and Wellbeing
- Community Transport
- Tourism
- Other (please specify)...**Capital Discretionary Fund**

Is there a closing date for the fund you are applying to? If yes when is it? No

Is the amount you are applying for:

- £3,000 or under
- Under £10,000
- £10,000 or over

Total amount applied for £70,000

Estimated cost of funding in kind applied for...nil.....

What type of organisation are you?

Third Sector (voluntary or community) organisation

Community Council

Other please specify.....

a) Are you a registered charity? Yes No

If yes, what is your registration number? SC041360

b) Are you a company limited by guarantee? Yes No

If yes, what is your company number? SC330264

T 1: ABOUT YOUR ORGANISATION

1.1 What is your organisation's name and address?

Organisation name

The Embo Trust (Urras Euraboil)

Organisation address

8 School Street, Embo
Postcode IV25 3PZ

Website

www.embotrust.btck.co.uk

Council Ward (see guidance note to clarify which Council Ward the project or activity will cover)

East Sutherland and Edderton

1.2 Who is the main contact for this application? (They must have a good knowledge of the organisation and this application)

Name

Title: Mrs Forename/s: Catriona (Rona) Surname: Grigg

Position in organisation:

Company Secretary / Project Co-ordinator

Address

8 School Street, Embo
Postcode IV25 3PZ

Phone number

Day: 01862 810 812 Evening: 01862 810 812

Email address

catrionagrigg@btinternet.com

Does the main contact have any communication needs? E.g. textphone, sign language, large print? YES NO

If yes, what are they? (maximum 20 words)

PART 1: ABOUT YOUR ORGANISATION

1.3 a) When did your organisation start? Month September .Year 2007

b) What geographic areas and/or communities of interest (e.g. Young people, people with disabilities, older people, people from an ethnic minority background) does your organisation cover?

The Company has been formed to benefit the community of Embo and District as defined by the postcode units IV25 3HY, IV25 3HZ, IV25 3JD, IV25 3JE, IV25 3PN, IV25 3PP, IV25 3PR, IV25 3PS, IV25 3PT, IV25 3PU, IV25 3PW, IV25 3PX, IV25 3PY, IV25 3PZ, IV25 3QA, IV25 3QB, IV25 3QD, IV25 3QE, IV25 3QF, IV25 3QG, IV25 3QH, IV25 3QJ, IV25 3QL, IV25 3QQ, IV25 3QS (“the Community”)

Copied from M&A

c) Is there any restriction on who can join your organisation?

Yes No If yes, what are they and why do you have them?

Voting Membership is defined by postcode area stated in our Memorandum and Articles as above. Associate Membership is open to anyone outside our postcode area and we have members abroad, in other parts of the UK and Scotland. We developed our M&A based on the HIE model.

We have 85 ordinary members, 2 juniors and 16 associates.

d) How many people are on your governing body or management committee? 9

e) Are there Highland Council Elected Members or Officers or Community Councillors on or attending your Management Committee or Board? *(please note that this will not affect your application)*

Yes No

If yes, please provide names:

Highland Council Elected Members	Role i.e. Office Bearer, Voting Member, Ex-official / advisory, other
Jim McGillivray	Chairman

Community Councillors	Role i.e. Office Bearer, Voting Member, Ex-official, other

Council Officers	Role i.e. Office Bearer, Voting Member, Ex-official, other

1.4 Does or has your organisation receive(d) any other funding from The Highland Council? Please provide information relating to Council funding for the last 3 years:

Yes No

If yes –

a) What is/was it for, and from which Service or Ward budget was it provided?

Year 1: 2012/13	
Legal fees:	Beinn Tharsuinn £1500.00
	Ward Discretionary £2500.00
Village Hall scheme:	£ 587.70
Year 2: 2013/14	
Shop stock and fittings:	Ward discretionary £2000.00
	Beinn Tharsuinn £1500.00
Architect fees:	Ward Discretionary £2325.00
Surveyors' fees:	Beinn Tharsuinn £1059.61
Village Hall scheme:	£ 313.80
Year 3: Legal fees for purchase of 17 Ha of Fourpenny Planation from FCS	
	Beinn Tharsuinn £ 750.00

b) How much funding do/did you receive?

Year 1: 2012/13	£4587.70
Year 2: 2013/14	£7198.41
Year 3: 2015	£ 750.00

c) Estimated value of existing funding in kind, and from which Service or Ward budget was/is it provided?

Year 1: £0.00
Year 2: £0.00
Year 3: £0.00

PART 2: ABOUT YOUR ACTIVITIES OR PROJECT

2.1 What is the name of your activity or project?

The Village Lifeline – Community Hall, café and shop
Cridhe na coimhearsnachd – Talla, cafaidh 's bùth

2.2 When will your activity or project take place? (specifically those for which you are seeking an award from The Highland Council)

Start date (month and year). earliest July 2016

End date (month and year). by June 2017

Location...Embo

2.3 What activity or project do you want us to support?

For example:.

- *Aims of the project and how you are going to do it*
- *Help with running costs or for a specific project or activity?*
- *Who will benefit*

Please note that the Council will be unable to provide any resources not specified on this form or supporting information.

Embo is a village with a population of approximately 315 with another 300 in the surrounding old crofting townships, however there is no village hall or centre / hub in existence. So there is nowhere for residents to meet, socialise, attend health and fitness activities or participate in cultural activities. In addition we urgently need to move our Community Shop from its temporary home in the football pavilion to a permanent home.

Our project is the extension and alteration to Embo Community Centre / Embo old school to create a village hub with hall, café and shop. We already own the building. The detail of the work to be done was described in our planning application (copy attached). Planning was granted at the end of October 2015.

The oldest part of the building will be entirely renewed and contain café, shop and toilets. The hall will be retained with additional openings to provide more light and provide additional fire exits. The existing rear lean-to will be replaced with a larger extension to accommodate a meeting room, stores and staff WC.

We have been awarded development funding from The Big Lottery –Growing Community Assets – which has been used to take the building plans to the granting of planning permission and market research to help us develop our business plan.

We have been asked by Big Lottery to secure match funding (hence this application) and will be submitting the Stage 2 Big Lottery bid – for around £1m – by end March 2016. They have asked us to ensure the match funding is guaranteed to be available as soon as possible after the Lottery decision is made in order to minimise the risk to the Lottery. The Growing Community Assets programme closed for new applications on 30 June 2015. They will review a draft application in January and another in February giving us feedback to address any issues they identify to strengthen the final application in March. We expect to have a response by July 2016.

The Big Lottery funds along with match funding secured will not only refurbish the old

school but will also provide a contribution towards staffing in the early years of operation of the refurbished centre. We are confident that with three main income streams viz: shop run by volunteers, the café /bistro with paid staff and the activities / services the Hub will be financially self-sufficient once established.

In summary, the project will deliver:

A green building with reduced energy use and costs because of our air source heat pump and in addition in the café a log burning stove (Highland First para 9 & Single Outcome Agreement 2.11, 9.1.27))

Savings on travel because services and activities will be available in the village (SOA 2.11)

A shop to cater for the 14% of households who have no car and a sales outlet for locally grown produce from the land we have acquired for runrigs on the Fourpenny Plantation (SOA 2.11)

A café / bistro where young & old can get together and socialise, ending the isolation felt by many older residents, catering for all ages and visitors, and which can be used for club activities when the café / bistro is closed. (SOA 2.10)

An improved location for our outreach Post Office service.

A secured location for our Polling Station. (the school currently acts as the Polling Station. The renovation will a much improved environment for both the Polling Officers and the public.)

A venue for surgeries for our local councillors, MSP, MP and MEP's who have all indicated they would be pleased to have a location in the village to meet their constituents.

An emergency resilience centre to allow us to provide refuge in extreme weather events and their consequences (SOA 2.11, 9.1.31)

A lunch club for the elderly. (Highland First para 55 Supporting Independent Living)

A venue for a crèche.(SOA 2.7)

Internet access / wifi.

Tourist Information services e.g. promoting the Loch Fleet nature reserve, the Skelbo Forest sculpture trail.

An hall supporting a youth club and other children's activities allowing children and young people to meet in a safe environment(SOA 2.7, SOA 10.17); keep fit activities (SOA 2.9, 5.3.8, 7.7,10.22); social activities such as carpet bowls and table tennis; cultural events such as music, dance, theatre; exhibitions on themes such as Embo's heritage and awareness of low carbon living. (SOA 10.12)

Support small businesses / self-employment by creating a healthy life / work environment in the village without the need to commute.(Highland First para 31 Building the local economy)

Create employment opportunities in the café / bistro and Hub management. The café / bistro will support 3.25 FTE positions. Another 0.5 FTE will be created to cover administration and finance.

During the renovation stage there will be another 0.5 FTE position of Project Co-ordinator to act as the Trust's representative and reporting to the Building Sub-Group.(see Role Description for the Project Co-ordinator and the Remit of the Building Sub-Groups attached)

In addition there will be a Centre Co-ordinator to develop activities and services offered. This will be a 0.5 FTE three year post very similar to that in place in the Seaboard Memorial Hall in Hilton, Ross-shire.

(Highland First para 31 Building the Local Economy). We will work with Working Rite local office to create 26 week job placements of 35 hr/week with a £90 /week allowance. (Highland First para 32 Region for Young People & SOA 2.6)

Promotion of Gaelic through bilingual signage throughout the building and surrounds (Highland First para 34 Gaelic)

Recycling of green waste generated in the café/ bistro and shop in composting bins on our runrig land on the Fourpenny Planation (Highland First para 27 Dealing with our Waste, SOA 9.1.30)

An increase in social and community capacity by creating local opportunities in volunteering, recreating local clubs and groups to restore a sense of inclusive community relations.

The survey conducted in October 2016 gave contact details for an additional 40 volunteers who are willing to take on a number of roles e.g. administration / bookkeeping; building management; janitorial services; putting on events for children, young people and adults; helping with the shop and café. We have made contact through email and telephone to identify those who didn't give their names.

(SOA 7.8.10, 8.3.18, 10.12)

PART 2: ABOUT YOUR ACTIVITIES OR PROJECT

2.4 Does your activity or project involve building or landscaping work?

Yes No

If yes please answer both a) and b) below.

a) Does your organisation (Tick one option below):

Have ownership of the land or building Yes No

or

Hold at lease of at least 5 years that cannot be ended by the landlord?

Yes No

b) Is planning permission needed for your project? Tick one option below.

Planning permission not required

Planning permission required and has been granted

2.5 Please tell us if:

- excluded, under represented and vulnerable groups are likely to face barriers to benefit from your project; and,
- how you intend to tackle these barriers.

In particular, please indicate whether you think there are likely to be any barriers in relation to equalities issues (i.e. in relation to age, disability, faith, gender, race or sexual orientation) and how you intend to tackle these barriers:

This is our Equal opportunities policy. ET0004: 2009

The Embo Trust is committed to eliminating discrimination and encouraging diversity among both volunteers and staff.

It is our aim that both volunteers and staff will be representative of the community and that everyone feels valued and respected and able to give their best.

It is our intention to ensure equality and fairness and not to discriminate on grounds of gender, marital status, age, religion, disability, race, ethnic origin, nationality, national origin, colour or sexual orientation.

All volunteers and staff will be treated fairly and with respect.

Selection for volunteer training will be on the basis of aptitude and ability.

Selection for employment, promotion, training or other employee benefit will also be on the basis of aptitude and ability.

All volunteers and employees will be helped and encouraged to develop their full potential and their talents will be fully used to contribute to the Trust's success.

We are committed to ensuring that:

- We create an environment in which individual differences and contributions are recognised and valued.
- There is no toleration of any form of intimidation, bullying or harassment.
- Training, development and progression opportunities are available to all volunteers and staff.
- Breaches of this policy will be regarded as misconduct and could lead to withdrawal of

registration from a volunteer, or disciplinary proceedings against an employee.

- We review our employment practices and procedures to ensure fairness.

This policy comes with the full support of the Board of Directors and will be reviewed annually.

In addition, we have considered possible practical access problems and will make the rear door, which vehicles can pull up to, available to those who are unable to walk or use a wheelchair to access the front door. The rear door will be the normal access in the morning for the shop before the café opens. Internally all facilities are on one floor.

PART 2: ABOUT YOUR ACTIVITIES OR PROJECT

2.6 Where relevant and appropriate please describe any contribution your project may make towards promotion of the Gaelic language?

It is our intention to have bi-lingual signage within the renovated building. We are fortunate in being able to call upon the help of native speakers to check any written documentation.

We certainly wish to be able to offer Gaelic classes and encourage interest since it is only 50 years since Gaelic could be heard on Embo streets. (SOA 1.7, Highland First 34)

Our Gaelic Policy ET0008: 2011 -

The Gaelic policy of The Embo Trust (Urras Euraboil) will be underlined by the use of Gaelic signing.

We will endeavour to produce bilingual versions of interpretative material, such as leaflets, posters, signs, display material whenever possible.

In addition, when we receive written correspondence in Gaelic we will endeavour to respond in Gaelic.

Correct Gaelic place names will be used to interpret and promote historical links between the cultural and natural heritage of the area.

2.7 Please tell us if you have spoken to anyone about your application for advice and support – e.g. Local Highland Council Elected Member, Community Council Member, Council Staff, local Council for Voluntary Service (CVS) – If yes, please provide details:

Highland Councillor Jim McGillivray is our chairman.
 A meeting was held with the Ward Manager on 1st September to outline the project.
 In November an email was sent to the Chief Executive and to the Council Leader asking for help in meeting the match funding target. He recommended we make contact with each of our elected members which has been done and a presentation will be given to the Ward Business Meeting on 7th December.

2.8 Please tell us about any funding in kind you are seeking from the Council:

Detail i.e. premises, facilities, staff time, waiving of fees	Estimated value
n/a	

2.9 Please tell us about any funding in kind you have accessed or are seeking from other organisations

Detail	Organisation	Estimated Value
n/a		

PART 2: ABOUT YOUR ACTIVITIES OR PROJECT

2.10 How much will your activities or project cost and how much do you require from The Highland Council? Please give a breakdown of costs and tell us what your organisation is contributing, or either have applied for or received from anyone else for this project?

Item or Activity	Breakdown of Total Costs	Year 1	Year 2*	Year 3*	Total
Staff	Transitional costs to enable us to build sufficient business to make the Hub financially viable within three years.	20,000	20,000	20,000	60,000
Other Costs e.g. property costs, transport, equipment, insurance, marketing	<p>Order of cost estimate from Torrance Partnership (copy attached) gives:</p> <p>Building Works 729,490.00</p> <p>Fixtures & Fittings 50,000.00</p> <p>Professional Fees 41,630.00</p> <p>Consents / legal fees 10,000.00</p> <p>Contingency (10%) 83,112.00</p> <p>VAT (20%) 182,846.00</p> <p>Additional equipment costs estimate (list being drawn up) 30,000.00</p>				
Total Project Cost		1,147,078.00	20,000.00	20,000.00	1,187,078.00
Other Funding relating to this project (including own resources and income) Continue on separate sheet if required	<p>Big Lottery Growing Community Assets (revenue) 20,000.00</p> <p>Big Lottery Growing Community Assets (75% of total capital) 845,309.00</p> <p>Stage 2 application to be made by 19 Feb 2016. This will include information about match funding we have secured. Draft application requested for Jan 2016. We have been asked for guarantees that match funding will be available as soon as possible after Lottery decision is made.</p> <p>Successful <input type="checkbox"/> Unsuccessful <input type="checkbox"/></p> <p><input type="checkbox"/> Awaiting Decision <input type="checkbox"/></p>				
	<p>(capital unless otherwise stated)</p> <p>John Gordon Bequest 20,000.00</p> <p>Embo Community Shop £16,000 now available; full amount available by March 2016. 20,000.00</p> <p>Robertson Trust application</p>				20,000.00
					20,000.00

	submitted – decision July 2016	20,000.00			20,000.00
	Carbon Clever application submitted – decision Feb 2016	22,000.00			22,000.00
	HIE have indicated they will fund us if our business case is robust – no sum has yet been suggested but we would hope to get a similar sum to that received by the Tarradale school renovation project.- awaiting final business plan before approaching for second meeting.	50,000.00			50,000.00
		50,000.00			50,000.00
	SSE Sustainable Development Fund EOI accepted – decision April 2016	20,000.00			20,000.00
	Postcode Community Trust – decision April 2016	9,769.00			9,769.00
	Weir Charitable Trust – decision April				
	Note: we have also received a donation of £311 from Professor Nancy Dorian of Bryn Mawr who researched Embo Gaelic in the 1960's / 70's. She was awarded an Honorary Doctorate of Letters from Glasgow University this July – the donation will be used to help with Gaelic signage.				
	Total other funding applied for: Successful <input type="checkbox"/> Unsuccessful <input type="checkbox"/> <input type="checkbox"/> Awaiting Decision <input type="checkbox"/>				1,117,078.00
	Successful <input type="checkbox"/> Unsuccessful <input type="checkbox"/> <input type="checkbox"/> Awaiting Decision <input type="checkbox"/>				
Total Funding Request The Highland Council	How much is being applied for within this application? Highland Council Capital Discretionary Fund	70,000.00			70,000.00

***See guidance notes for specific funding stream to see if you are able to apply for more than one year of funding.**

PART 2: ABOUT YOUR ACTIVITIES OR PROJECT

PLEASE COMPLETE QUESTIONS 2.11 TO 2.15 ONLY IF YOU ARE APPLYING FOR £10,000 OR MORE RESOURCES PER YEAR (cash / reduced lets, in kind)

2.11 Please tell us how you know that there is a need for this activity or project and how your approach will meet this need. This might include:

- a. Community support for your project (e.g. surveys, etc.)
- b. Statistics which show the need for your project (e.g. unemployment figures, crime statistics)
- c. Evidence from similar projects which shows that they have worked (e.g. research from elsewhere or evaluations of previous local work)

There are no community facilities in Embo at present other than the football club pavilion.

We carried out a survey in the village in late 2012 as soon as we had title to the school which showed support for a café and various activities in the hall ranging from youth club to keep fit classes.

The lottery development funding received has been used, in part, to fund market research to enable us to build a business plan. In October 2015 280 surveys were delivered through every door in Embo village, Skelbo Street, Skelbo Muir, Embo Street, Birchwood, Heatherwood, Torboll, Cambusavie (within the Embo Trust postcode area) and also Rearquhar, Astle, Badninish, Balvraid and Lednabirichen after residents there said they were also interested in the development.

Of 120 (43% of households) surveys returned both on paper and online, there have been no negative comments.

In addition there were 41 returns from the tourist survey of visitors resident at the end of the season.

People were very positive in saying they would use the café and shop and identifying the activities they are interested in seeing being available.

At the community meetings there was a strong desire to

- develop / re-develop clubs / group activities
- create a step change in the connections between people
- provide an all age facility with opportunities for intergenerational mixing

The residents survey highlighted a strong demand for regular

- children's and young people's activities
- gym and fitness provision
- social functions and games activities for adults as well as children

It demonstrated a desire for occasional use for

- training and education classes
- hall hire
- cultural events and exhibitions
- table top (car boot) sales

The tourist survey indicated a strong demand for

- wet weather activities (not surprising in our wettest year since the 1920's)
- indoor soft play

There was a lesser demand indicated by the tourists for cultural provision.

Market research on shop use was completed

- by judging residents opinion through the local survey and community meetings
- tourist opinion via survey
- trading figures since the Trust took over the shop

In summary

- 85% of tourists would use the shop regularly
- 94% of residents would use the shop regularly
- 85% of residents would use the post office regularly.

It was clear from the community meetings that the shop is seen as more than a retail establishment, it represents

- A symbol of community spirit
- Connection between people
- A core of social glue in the village and
- A fundamental foundation to the Hub development.

Trading figures for the shop indicate that a relatively small mark-up is available meaning that the shop will always operate on a volunteer basis rather than paid staffing. However, the commitment of the 30 volunteers for operation by voluntary staffing is entirely sustainable. Indeed the survey results have identified another 16 people willing to volunteer in the shop. The key to success may be that no-one does more than a 2.5 hour shift at any one time and that there is a pride in demonstrating community spirit.

The survey identified 14% of respondent households without access to a car.

We're compiling a list to identify those who have volunteered to help in the hub. Some left email addresses or telephone numbers without giving their name so it's taking longer than expected to complete the list. There are 42 households to contact and to date those identified are additional to the 30 volunteers already manning the community shop currently squatting in the football pavilion.

The shop will be more central and access easier, particularly in wet weather, when it is moved to the new hub.

Community meetings were held on Sunday 1st November and Monday 2nd November in the Show Bar at Grannie's Hielan' Hame. 120 people attended and gave their views on how the development would promote and sustain the health and well-being of the community as a whole which in turn will create and sustain a support network encompassing all ages from pre-school to senior citizen groups. The meetings were promoted through door to door delivery of leaflets, one pre survey delivery and one after as well as on the survey itself. The Northern Times carried articles in the two editions prior to the meetings emphasising the importance of attending.

Evidence from other Big Lottery projects shows how the development of a community centre acts as a springboard for wider development. Since the Isle of Luing Atlantic Islands Centre opened in spring 2015 the centre has had over 6,000 visits and the population of the island is less than 200. Partly this is repeat visits from residents, particularly the older residents who come in daily, supplemented by a good flow of visitors who spend money in the café / shop.

2.12 Is this a new or additional activity or project? – Yes No

If yes, what change will your activities or project make in your community?

At present there is nowhere in the village to meet. It will give the village and surrounding community the opportunity to socialise and learn new skills. It will help new residents integrate with the older Embo families and develop a social cohesion. It will secure the long term future of the community shop. Our survey identified 14% of households with no access to a car. For these people life will be transformed. For the others it means less car miles since they can access the Hub on foot and so help the village to become healthier as well as more environmentally friendly.

In terms of outcomes, we see the Hub as creating a step-change in:

Community resilience / self-help against a backdrop of reductions / withdrawing of services due to austerity measures. (SOA 8.3.18, 10.12, 10.22)

Health and wellbeing improvements through indoor all year round fitness activities (SOA 2.9, 5.3.8, 7.7, 7.8, 10.12, 10.22)

The revival of community groups and activities such as line dancing, carpet bowls etc. These groups have withered because there is no longer a venue they can use.

Retention of young people in the area. (SOA 2.6)

An attraction for young people and families to come and live in Embo, particularly those who have moved away but want to return.

Less isolation for older people as they use the Hub as a warm, friendly place to meet friends and take part in activities or simply have tea and a chat. (SOA 8.1.7, 10.12)

Giving a space which can be used for exhibitions about the village history, the fishing industry, promotion of green energy and energy saving etc (Highland First 28, 7)

Providing additional activities / options for the high number of visitors at Grannie's Heilan' Hame during peak months by providing a café and wet weather space which in turn will help with the financial viability of the Hub. (Highland First 28)

PART 2: ABOUT YOUR ACTIVITIES OR PROJECT

If No, how has your activities or project been funded in the last three years?

2.13 Please tell us how you will know that your activities or project is working and that you are benefiting your community. You only need to provide targets for the years in which your project will operate. See the detailed guidance for examples of targets.

Service you are providing	How you will know you have made the change		
	Year 1 Measurable Outcome	Year 2 Measurable Outcome	Year 3 Measurable Outcome
Cafe	Numbers using the café: Target minimum sittings 108 /day in high season; 54/ day medium season and 27/ day low season	Numbers using the café: Target minimum sittings 108 / day in high season; 70 / day medium season and 40 / day low season	Numbers using the café: Target minimum sittings 108 / day high season; 80/ day medium season and 40 / day low season
Shop	Numbers using the shop: 68/day	Numbers using the shop 80/day	Numbers using the shop 100/day
Activities Clubs	Number of user clubs formed: Target 4	Club use of hub Target: additional 4 clubs	Club use of hub Target: maintain 8 clubs
Events hosted	Target: 12 events organised	Target: 18 events	Target: 24 events

2.14 How will the award help the Council achieve its goals and objectives? (as stated in guidance):

We feel it is fair to point out our agreement with the statement in SOA 3.1.15 that ‘in predominantly rural parts of the country indicators such as Scottish Index of Multiple Deprivation (SMID) do not always reflect the extent of socio-economic inequality within communities’ and feel that this is particularly true of Embo.

Gaelic signage and Gaelic classes (SOA 1.7; Highland First 34)

We have a Gaelic Policy (ET008 Issue 1 16/2/2011 see Q2.6). We are very conscious of Embo’s heritage and the fact that it was the last Gaelic speaking village on east coast Sutherland. We will have dual language signage and hope to be able to promote Gaelic through classes in the Hub.

Equal Opportunities Policy (ET004 Issue 1 29/08/09- see Q2.5)

In addition, having a local hub, providing local services, will improve access to services & activities e.g.:

Children and young people will have after school / holiday physical activities in a safe environment near their homes without the need to travel to Dornoch, Golspie, Tain and even Ainess. (SOA 2.7,5.3.8, 10.17)

Creating opportunities for jobs and placements, particularly for young people in their own village in café / hospitality, retail, event organising etc. In our Community Shop we've already helped two young people work towards the Saltire Award and would wish to expand this activity.

(SOA 2.6, Highland First 32)

Having a venue for local advice, support, learning etc. which will encourage take-up of services where currently travel is necessary. (SOA 10.12)

The meeting room or main hall can provide a hire venue for crèche facilities (SOA 2.7) – the community meetings held in November have prompted further informal discussions about facilities missing in the area. This has been brought forward as something young parents would like to have available.

The hub will be fully accessible with everything on one level to help those in wheelchairs or with limited mobility. (SOA 2.9)

We will have a cadre of volunteers to help people access services by providing information and helping with internet searches etc. (SOA 10.12)

The café will be family friendly for parents with young children so that they can overcome isolation and get out to meet others. (SOA 8.3.18)

Through policy and practice, the hub will extend a warm welcome and support for residents experiencing mental health issues such as anxiety and depression. (SOA 10.12, Highland First 46 &47))

Health Inequalities & Physical Activity / Outcomes for Older People (SOA 2.9, 2.10, 7.7, 7.8 8.1.7, 10.12, 10.22, Highland First 8))

Keep fit activities have been identified through our survey as a priority for residents. It is our intention to offer a variety of activities from fitness exercise classes and Zumba to carpet bowls. The provision of a lunch club will offer a social venue as well as providing a healthy lunch. The majority of our shop volunteers are retired and this has given them a new interest in life and pride in the knowledge they are contributing to an essential local service. We believe such activities can shift the balance of care to a pro-active approach to wellness.

Environmental Outcomes (SOA 2.11, 9.1.30, 9.1.31)

The air source heat pump will cover the new and upgraded accommodation with zone valves to allow certain parts of the building to be brought up to temperature independently (see RYBKA reports).

The electricity supply will be a new 3 phase low voltage supply with new switchboard. All hand wash taps will limit delivery temperatures to 42°C and all outlets fitted with flow limiters to reduce water usage.

Energy efficient luminaires shall be used in all locations with automatic lighting controls being employed where appropriate to reduce energy consumption.

The carpark will be lit to a level that will allow users and staff to see clearly to safety exit the area and get to their vehicles. The car park lighting will have controls for timed

operation together with a photocell to prevent the lighting operating during daylight hours.

The roof will be retiled; windows and doors replaced with double glazed UPVC. The roof space and walls will be insulated.

A log burning stove in the café will be fed by wood harvested from the area of the Fourpenny Plantation just purchased by the Trust from Forestry Commission Scotland for the creation of Runrigs.

The building is not presently in use except as a polling station when required. The windows and doors are drafty; there is minimum insulation in the roof space. The heaters in the hall are nearly 40 year old. There is only one questionably 'usable' toilet. We are effectively creating the best modernisation and upgrading possible within the confines of a stone building 155 years old.

The best measure of efficiency will be the monitoring of electricity usage.

The use of air source heat pumps for water and space heating will be the first in the village and should encourage home owners to consider this option.

Providing social spaces and events within the village will lead to a reduction in car miles.

Green waste will be recycled by composting on our Runrig site adjacent to the Fourpenny Plantation.

The creation of a resilience centre with power from a generator, and a log stove in the café area, will allow us to ensure the vulnerable have somewhere warm with access to hot food in the event of prolonged power cuts.

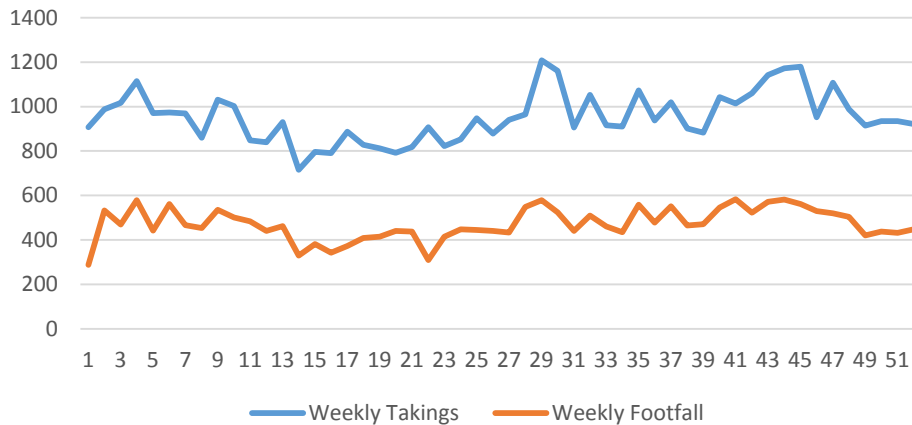
2.15 If it is intended that this activity or project continue beyond the period of Council support, how will it be funded?

The hub should become self-financing by year 3 at latest through income from the shop, café, events in hall and hire of hall and meeting room.

Shop trading to date indicates takings varying from below £700 up to £1200 on peak holiday periods with a typical week netting £950. The y/e 30/9/2015 accounts show the shop made a profit of £10,309. For the moment the shop profits are committed to the Trust's contribution to the renovation but once the Hub is operational the shop (and the café / bistro) will operate as a trading arm of the Trust and the profits would be covenanted to the Trust for use in the Hub.

As mentioned above (2.11), Trading figures for the shop indicate that a relatively small mark-up is available meaning that the shop will always operate on a volunteer basis rather than paid staffing.

Takings vs Footfall y/e 30 Sept 2015



This gives an average weekly footfall of 474, average takings of £950 with average spend £2.01.

Café/ Bistro

In the residents (local community) survey with 120 responses representing 300 people The following points were made

- A daytime café would be very popular on a weekly basis but evening provision on an occasional basis
- Daytime spend of £5 - £7 and evening expenditure of £12 - £18 by most respondents
- A bakery provision would be very popular

In the survey of Grannie’s visitors there were 42 respondents representing 120 people The following points were made

- A daytime café would be very popular on a weekly basis
- An evening restaurant provision would be slightly more popular
- Afternoon teas would be very popular
- A bakery provision would be extremely popular
- The price point for visitors was the same as locals
- Wi-fi provision was very important

Footfall – based on 36 seats	No. Weeks	Occupancy	Weekly Footfall: snacks	Weekly Footfall: Meals
High Season	14 weeks	100%	252	504
Medium Season	14 weeks	50%	126	252
Low Season	14 weeks	25%	63	126
Zero Season	10 weeks	0%	0	0

Income generation is based on:

36 seats

Daily covers = 2 sittings of 36 @ £12.50 per head + 2 x sittings of 18 @ £5

100% occupancy = £1080 total take per day

High Season 14 weeks @ 100% occupancy

Medium Season 14 weeks @ 50% occupancy

Low Season 14 weeks @ 25% occupancy

Zero Season 10 weeks @ 0% occupancy

This gives

Period	Turnover £	Gross Profit @ 60%	Wages/Utilities etc	Net Profit in £	Net Profit %
14 wks	105840	63504	28061	14275	13
14 wks	52920	31752	17094	4074	8
14 wks	26460	15876	10714	-130	0
10 wks	0	0	8688	-8688	-12
	185220	111132	64557	9531	5%

The café will also operate as a trading arm of the Trust and as such will be aiming to provide both a social and commercial return to the organisation. Based on the market research above, the estimated number of customers is conservative. It will have the potential to provide important employability opportunities for those entering the workplace, with work placements being provided and volunteer roles being available. There would be an expectation that a proportion of profit would be directed towards the central costs of the new Hub.

Activities / Community Facilities costs

Please see attached worksheet 'Hub Core & Activities Costs' which shows a deficit of £9,900.

The Centre Development manager's remit (0.5 FTE / 3 years) will be to develop income from activities and services to reduce and ideally overcome this deficit.

Embo Village Lifeline Financial Summary					
Income	2016/17	2017/18	2018/19	2019/20	2020/21
Community Facility		0	14,500	14,500	14,500
Café		0	185220	185220	185220
Shop	50978	50978	50978	50978	50978
Capital		1285258			
Total	50978	1336237	250698	250698	250698
Expenditure					

Community Facility			24400	24400	24400
Café		0	175689	175689	175689
Shop	41633	41633	41633	41633	41633
Capital		1285258			
Total	41633	1326891	241722	241722	241722
Surplus/Deficit	9346	9346	8976	8976	8976

At this point it is difficult to predict hall and meeting room hire income. However we will use the model in use in Dornoch and Rogart of charging more to users from outwith the local area.

Both Dornoch parish Church of Scotland and Free Church of Scotland have indicated their interest in using the facilities for outreach.

Citizens Online have expressed interest in using the hub for a wide range of digital activities e.g. employability skills, inter-generational learning, film making etc.

We are approaching local artists to determine if they are interested in displaying their work within the Hub on the basis of a small commission for work sold.

Because the Grannie's Hielan' Hame holiday park owned by Parkdean abuts the village we are confident that the Hub will augment the attractions of the park. Already we have the holiday makers using the Community Shop. When the Hub opens it will be directly next to the park reception area. We have had discussions with the park manager to ensure what we offer will complement rather than compete with Parkdean. He suggests the café would do well offering local produce e.g. cheeses and beers. We could expect annual occupancy in three blocks of 14 weeks and one of 10 weeks with occupancy figures of 100%, 50%, 25% and then virtually zero. He would expect spending at around £5 for snack provision and £15 or thereabouts for main meals (these figures are confirmed by our survey – see above). Licensing would be important but not as a pub provision.

The railway track footpath between Dornoch and Embo is regularly used by locals as well as visitors. The Hub café will offer them facilities not presently available.

PART 3: SPECIFIC QUESTIONS RELATING TO THE FUNDING STREAM WHICH YOU ARE APPLYING TO (*Deprived Area Fund*)

3.1 Applicants should provide detail on how the proposed project will seek to address the four Key Criterion as detailed below.

Criterion 1: Effective targeting - proposals must respond to identified community needs (primarily within the identified datazones) including published statistics and evidenced community and client group engagement and consultation.

Criterion 2: Identified employability aims – proposals must have identified and evidenced employability outputs and outcomes.

Criterion 3: Proposals must complement and add value to other related services and programmes tackling poverty and inequality.

Criterion 4: Proposals must engage with local communities and build community capacity and leadership.

Please use additional pages as required.

n/a

Request for Capital Discretionary Funding

WASPS Studios, Midmills College

1. Background

- 1.1 Midmills College was declared surplus to requirements by Inverness College. Scottish Futures Trust have been instructed to advise on the disposal of the property. Any receipt will be transferred to the Scottish Funding Council.
- 1.2 The Council was approached by McCarthy & Stone (developers who specialise in housing for the elderly) to work in partnership to develop housing for the elderly on the site and to identify a suitable partner for the listed building element of the site.
- 1.3 The proposal is for the listed building to be transferred to a community group or a social enterprise company for £1. WASPS; a charity which provides affordable studios to support artists and arts organisations had previously expressed an interest in premises in Inverness including the AI welders building in Academy street and church street. WASPs have also successfully converted the former Links school in Nairn for artists' studios. WASPS have been in discussion with McCarthy and Stone and the Highland Council in relation to the Midmills building.
- 1.4 WASPS expressed an interest in owning and managing the listed building to develop a creative hub in Inverness for local artists and the creative industries, similar to other projects in Glasgow, Edinburgh and elsewhere. Their proposal is to work closely with UHI to create small workshops for young people leaving further education, thus retaining and nurturing creative young talent in the Highlands.
- 1.5 WASPS would take on the project on a two-stage basis. The property would transfer to WASPS on a back-to-back basis, once McCarthy and Stone had obtained planning permission and secured the overall purchase. WASPS would temporarily let part of the building to artists whilst the new housing was built. Once the housing is complete, WASPS proposal is to refurbish the existing listed building and let out all the units. WASPS will seek funding packages from the Big Lottery etc and are aware that the Council's contribution is to transfer the building at £1 and that under the current financial climate any business plan should not be dependent upon revenue support from The Highland Council.
- 1.6 At the Planning Development & Infrastructure Committee of 4 November 2015 members agreed to the purchase of part of the Midmills College site in the sum of £400,000 using The Highland Council's Land bank facility, subject to the following conditions:
 1. Securing satisfactory planning consent, listed building consent and building warrant for 30 new affordable houses and associated external works.
 2. Securing a community end use for the listed building elements.
 3. Site investigations and clean title.

And that a further report will be brought back to members once WASPS had produced their business plan

2. Current position

- 2.1 WASPS have carried out the initial survey of the building and have prepared costings to bring the building back into a wind, watertight and habitable condition sufficient to enable them to let out the artists' studios. The costs of these works including fees and VAT are approximately £900,000. The main reason the costs are so high is because the existing boiler house is below one of the buildings which will have to be demolished and therefore a new heating system is required. Also the roof is leaking in several locations and requires urgent remedial work to stop further damage to the condition of the building.
- 2.2 WASPS have approached McCarthy & Stone and some public agencies to raise the necessary finance to carry out these works. McCarthy & Stone are reluctant to cross subsidise the users of the listed building as they state that they have an alternative user of the listed building and could transfer the building for £1 to another developer to convert the listed buildings into residential units.
- 2.3 The Councils position is that if McCarthy & Stone were to proceed with a full residential use of the site the Council would no longer be a partner and would await the result of the planning process as this was not the basis of the original deal
- 2.4 Following discussions with the Council McCarthy & Stone have indicated that they may, in principle, contribute some funds towards the remedial works required. They have indicated they could contribute a maximum of £300,000 towards the costs.
- 2.5 The Highland Council has had discussions with other public sector partners who because of the importance of the building and its potential use are willing, in principle, to contribute towards the costs. A Funding package could be assembled on the following basis:-

McCarthy & Stone	£300,000
HIE	£250,000
Inverness Heritage Trust	£200,000
THC Capital Discretionary Fund	£100,000
Inverness Common Good Fund	£ 50,000

3. Conclusion

- 3.1 Members are asked to approve an award of £100,000 from the Councils Capital Discretionary Fund to WASPS to part fund the repair and remedial works to the Listed building element of the Midmills College which would enable the building to be used as Artists' studios and creative hub.

Author: Allan Maguire, Head of Property Partnerships

Date: 11 February 2016