

The Highland Council
Resources Committee – 25 May 2016

Agenda Item	12b
Report No	RES 30/16

Application to Capital Discretionary Fund – Kyle of Sutherland Hub Ltd

Report by Director of Finance

Summary

The purpose of this report is to consider an application of £50,000 from the Capital Discretionary Fund for Kyle of Sutherland Hub Ltd.

1. Background

- 1.1 The previous item on this agenda considered the establishment of criteria for assessing bids to the Capital Discretionary Fund.
- 1.2 This bid has been assessed on the basis that the proposed criteria will form the basis of assessment for this application.
- 1.3 Whilst officers have reviewed the application and assessed whether it meets the criteria for the Fund, members are asked to consider the application on its own merits, taking account of the project outcomes, links to the criteria set, and the financial implications for the Council.

2. Discussion

- 2.1 The core detailed application is attached as Appendix 1 to this report. The application seeks £50,000 from the Capital Discretionary Fund towards a total estimated project cost of £1.933m. Funding of £1.721m has already been secured, and the bid for £50,000 aims to close the residual funding gap.
- 2.2 The bid meets the following criteria:-
 - the application is less than 25% of the total project cost
 - funding is for a Community Group
 - the application meets the definition of capital expenditure
- 2.3 The application meets the following Council priorities in terms of the Council's Programme *Highland First*:-
 - Supporting communities to be vibrant and stable
 - Empowering communities to deliver services locally
 - Enhancing our town centres
 - Building the local economy
 - Promote equality of opportunity
 - Addressing poverty and deprivation

3. Financial Implications

- 3.1 The cost of borrowing to finance the capital grant of £50,000 is estimated at £5,000 per annum. At present this is provided for within the Loans Fund budget. If the Council opted not to award the grant then a revenue saving could be achieved.
- 3.2 The current uncommitted balance on the Capital Discretionary Fund is £0.724m. If the Committee supports the Grant Application then the balance will reduce to £0.674m.

4. Implications

- 4.1 Rural – this project supports a range of communities within Sutherland
- 4.2 Equalities – the application outlines a range of equalities issues that the project seeks to address
- 4.3 Climate Change/Carbon Clever – the proposals create a new facility that should be energy efficient
- 4.4 Resource – are set out at Section 3 above
- 4.5 Gaelic – the application sets out how activities will be advertised in Gaelic
- 4.6 Legal and Risk – there are no specific issues to highlight. The project has confirmed a significant proportion of the required funding, so there is substantial assurance that the project will be delivered.

Recommendation

The Committee is asked to consider the proposal.

Designation: Director of Finance

Date: 13 May 2016

Author: Derek Yule, Director of Finance

Background Papers: None

**Capital Discretionary Fund
Kyle of Sutherland Hub Ltd – Application Summary**

Name of Organisation:

Kyle of Sutherland Hub Ltd (KOSH)

Name of Project or Activity Requiring Support:

New Youth and Family Hub

Total amount applied for: £...50,000.....

Target Groups – geographical and communities of interest

Our project aims to address the well documented issues faced by communities in Sutherland, identified by public agencies and prioritised through research by the Kyle of Sutherland Youth Development Group, the Initiative and others. These include:

- Social isolation and community segregation
- Lack of facilities for children and young people
- Lack of facilities to support healthy lifestyles
- Lack of employment and volunteering opportunities
- Deprivation
- Decline in local economy through loss of visitor services and attractions

Our Core community areas are the Parishes of Ardgay, Lairg and Criech

The project is aimed at all sectors of the community;

- Children & young people
- Older People
- Unemployed
- Rehabilitation
- Vulnerable families
- Young Carers
- Employed people

Catchment for soft play users extends to North, East and West Sutherland and Ross-shire.

PROJECT DESCRIPTION

What activity or project do you want us to support?

KOSH aims to address issues of geographic disadvantage, social isolation, and unemployment through the construction and development of a new multi-use **Youth and Family Hub**. KOSH are seeking funds to contribute to the construction and full completion of the new building. £1,720,990 of funding has already been secured.

Facilities will include a fitness centre, soft play, second hand sale point, multi-use room, health café, community support room for family support agencies and an outside play area. Spaces will also be available for youth and pre-school groups, fitness classes, creative clubs, and performances. The project will provide substantial volunteering, training and employment opportunities. It aims to benefit children, families and community members of all ages living in the three parishes of the Kyle of Sutherland (Creich, Ardgay and Lairg), as well as visitors and tourists. The project will provide an accessible and affordable hub of activity and support for the dispersed populations of this area; enhancing community cohesion, sustainability and access to services.

Through this innovative project we want to address a broad range of issues: lack of access to services, lack of facilities for children and young people, fuel poverty, unemployment and low volunteering opportunities, community cohesion and isolation, intergenerational segregation, poor environmental appearance, lack of opportunity to engage in health benefitting activities, social opportunities and lack of services for visitors/tourists.

The project will take place on land owned by the group on the South Bonar Industrial estate, ideally located between the two villages of Ardgay and Bonar bridge. A site independent of any particular village with historical rivalry. Services provided on the site to date, have proved to overcome barriers and enhance cohesion of the dispersed population with users attending from all three Parishes that make up the Kyle of Sutherland.

Regular user numbers have increased from 0 before 2006 to 85 in 2009.

Current users total 185.

It is predicted that over 2000 people will benefit directly from the development of a new youth and family facility.

This has been calculated using the population figures from the General Register Office of Scotland Small Area Population Estimates 2009, historical increases in membership and local surveys.

Community Council	Area	0-17	18+	Total	Density per sq km
Ardgay	570.7	79	505	585	1.02
Creich	395.9	208	843	1051	2.65
Lairg	508.3	150	742	892	1.75
Edderton	89.5	50	274	323	3.61
Assynt	552.6	184	818	1002	1.81
Alness	11.9	1298	4341	5639	474.62
Dornoch	150.9	428	2051	2480	16.43
Golspie	69.5	325	1305	1631	23.45
Tain	58.4	806	2986	3793	64.99

As there is no other youth facility in the whole of Sutherland we hope that everyone between the ages of 5 and 17 will at some stage use the facility over the first year but realistically we are looking populations within Ardgay Lairg, Edderton and Creich (Bonar Bridge) totalling 2851 people. Additionally, there is no indoor play facility north of the Kyle of Sutherland and indeed none close to our Ross Shire neighbours.

Out of 144 people surveyed, 116 said that they would use the gym facility regularly. Huge support has been received for the project and direct users across the whole community is expected.

In addition, the population will benefit in different ways - from community engagement with older people using the charity shop, youth engagement partnering with other groups from further afield, and child engagement through primary schools. Empowerment through volunteering and social inclusion opportunities will also benefit people directly.

Once the new facility is finished and during its first year of operation, it is expected that over 2000 local people will benefit in a variety of ways. Further reaching effects for businesses and visitors to the area should not be under-estimated.

The Kyle of Sutherland Hub (formerly Kyle of Sutherland Youth Development Group) formed in 2004 as a direct result of lack of provision for young people identified by the Kyle of Sutherland Initiative (KOSI), and received charitable status that year. In 2015 the charity registered as a limited company and in doing so changed its name. The group is voluntary managed and to date voluntary run, with 12 committee members bringing a range of skills and experience, and over 20 volunteers including young people from P7 through to S6.

KOSH has spent over 10 years researching need and aspiration through extensive community consultation and implemented a phased approach to delivering services to establish need/demand. In 2007, using funding from the Princes Trust, the group purchased an old double decker bus and began converting it to a youth café whilst it sat on private land.

In 2008 the group managed to raise funds to buy a site on the industrial estate which had been vacant for two years after being used as a coal yard.

In 2009 the group set up two after-school clubs and a youth group providing supervised art, games and sports activities from 'The Bus'

In February 2010, after securing temporary planning permission and funding to consolidate two temporary classrooms, the group extended services creating new clubs and extending community wide events.

As membership grew and the temporary buildings neared the end of their life, the group was successful in obtaining funding to explore the need for a new permanent facility which would meet the needs of the whole community and enable a sustainable childrens and youth service.

Meetings, surveys and Open Days generated ideas which confirmed the previous aspirations outlined in the Kyle of Sutherland Vision. On going engagement with the community made feedback easier to obtain than ever before and the need for a social space with a fitness suite, second hand sale point, café, soft play centre, multi-use and youth spaces became evident. The support of the community has been unprecedented and the project has received tremendous support from businesses, schools, parents, agencies and individuals providing over 150 letters of

support.

KOSH has been incredibly successful in creating a firm platform on which to build its services that will provide the KOS residents, neighbours, and tourists with a fit for purpose building providing the foundations and growth opportunity for an inclusive, supported, healthier and more successful rural community.

Soft Play

The space will be bright and modern with purpose built child friendly toilets and changing facilities. There will be a clear separation of catering and viewing areas from the main play space allowing for a quiet space to eat, with supervision seating in the play area and provision of a slow exit into the catering and reception area for increased safety. The soft play area will be accessible to children aged 0-11.

The facility will be affordable and aims to be of a high standard. It will become an informal and fun meeting place for parents, carers, grandparents, children and support agencies providing additional space for community interaction.

The soft play area will complement other activities within the centre, enabling attendance and engagement of the whole family. The design for the soft play has been selected by the children and parents through presentations of designs at the existing clubs and at the schools.

As a visitor attraction the soft play will also benefit other local businesses and services.

Size of the double height space is 76m², with capacity for 42 children.

Fitness Suite

The fitness suite will offer a range of services for users at a competitive price with local residents being able to sign up to a loyalty scheme offering better value for money and enhancing accessibility. The fitness suite will be accessible to people aged 14 and over although under 16's will require adult supervision.

The fitness suite will be a modern and bright space, with up to date equipment and will take full advantage of the spectacular views to the north and south with the potential to market the space as the North's most scenic gym. There will be modern changing and shower facilities and there is potential to use Smart Cards to assist personal training programmes and gym management. The fitness suite has been designed by a sub committee made up of local residents aged sixteen and over.

The size of the space is 72m² excluding toilets and changing facilities with a capacity of between 12 to 15 pieces of equipment with additional floor work areas.

Targeted fitness suite programmes will include

- Youth
- Over 60's
- Women Only
- Rehabilitation

Children & Youth rooms

There will be two rooms available for use by the children and young people as well as a kitchen which links the two spaces.

The fixed youth room will be restricted to use by children and young people, a space with equipment, games and computers that they can customise and take ownership of. The group already has equipment for this space currently on site in one of the classrooms. This room will be accessible to children aged five and over through clubs and drop in sessions for the youth age

range. The youth room can additionally be used to support training for young people as a space they can have breaks in. Complementing the facilities for children and young people is the outside play area where clubs can offer external activities and young people can on an open access basis use the facility during Hub opening times.

The fixed room is 66m²

The Multi use room

This room will provide additional support to the delivery of services to children. All preschool clubs and activities will run from this space to avoid interference with the equipment aimed at older children in the fixed room. The space will also be used to support indoor team games, additional clubs, holiday play schemes and a space to accommodate training and crèche facilities

Potential additional children's services (not exhaustive)

Preschool	Primary	Secondary
Mini gymnastics	Performing Arts club	cookery
Yoga	Yoga	Yoga
Mini Kickers	Music club	Photography
Creche	Holiday Play scheme	Training

The size of the room is 55m². It will be partially double height and light and spacious enjoying fantastic views of the Kyle through picture windows.

The kitchen located between these two rooms will provide space for the children and young people to learn cookery skills and also for the preschool groups to prepare healthy snacks. The group has also identified through social services the need for facilities locally for independent living training for young adults with additional needs which can be supported in this space.

The multi use room will be available for fitness classes, soft play parties and as an additional seating area for the café during busy periods.

Community support room

This room is available to rent for agencies working to support vulnerable families and children. There is currently no 'soft space' for meetings and support work to take place in an environment that is comforting for children. Having access to the soft play facility, the youth room and the kitchen for these agencies will enhance and strengthen their own work.

These rooms will additionally be available to rent by remedial therapy practitioners.

Cafe

The café will be bright and modern, taking advantage of the fantastic views. Areas will be zoned to make it attractive to a variety of users. This will be the only café in the area aimed at families with young children. The menu will be different from existing eateries and will focus on healthy foods. The café will also provide additional opportunities for young people to socialise outside of school and will remain open in the late afternoon/early evening to facilitate this. The Youth and Family Hub café will also open later at weekends to allow young people to have access to a service when youth clubs are not open. The café will also support the groups volunteering and training ambitions.

Second hand donation point

This will provide a small income stream for the group with few extra overheads, as is evident in the Assynt leisure facility based in Lochinver. It will create a focal point for the community and will provide year round access to the facility for those that do not wish to access the other services on offer. This space will be run by volunteers with the group targeting older residents to compliment

intergenerational engagement and involvement. This space will be located in the reception area where there will also be a community information, jobs and events notice board.

Management of Project and delivery

Year One - The Build

1. Design to Tender

Design to Tender work now complete

2. Construction on Site

The Architect will be Contract Administrator with support from the other consultants as required. The Building Contract will be let, via a traditional form of contract, construction information issued and the site handed over to the contractor.

A Project Manager and Clerk of works have been appointed to represent the client.

The Contract Administrator (CA) will administer the contract until completion, including attending to the need for any variations. There will be monthly, minuted site meetings where all relevant parties will attend. In addition the CA will undertake regular site visits, most likely fortnightly but as and when required. In addition the other consultants will attend key site visits as required. Monthly Valuations will be undertaken by the Quantity Surveyor and will inform regular cost plan updates.

3. Post Practical Completion

Following Practical Completion the CA will administer the contract to Final Certificate including final inspections after the 12 months defects period. Assistance will be given to the client during the initial fit out and occupation period.

Operation of Hub

Management Committee

The build of the project will be managed by a sub- committee, who will be available on a daily basis, as nominated by the full committee. The sub- committee will provide a written report to the full committee on a monthly basis.

Employees

The group will be looking to appoint the Centre Manager and the Catering Manager three months prior to the completion of the build project. The two General Assistants and the cleaner will be appointed one month prior to the opening of the building.

Project Launch

The project launch is to be planned and implemented by the management committee, project manager, centre staff and volunteers proposals include;

Tour Days prior to opening
MFR announcements
Northern Times press release
Web Site and Social Media updates
School visits
Practitioners
Press & Journal press release
Press release to agencies
Visit Scotland
KOS leaflet drop
Posters local shops, supermarkets, health Centres
Photographic Digital display

Facility Operation

The centre will be a voluntary managed project with six weekly meetings. Reports to management committee will include:

Gym - attendance, income and breakdown of users, risk assessment and health & safety update, incidents, peak periods recommendations, user feedback, marketing

Soft Play - attendance, income and breakdown of users, risk assessment and health & safety update, incidents, peak periods recommendations, user feedback, marketing

Therapy and Multi Agency Rooms - income, breakdown of users, marketing and networking, recommendations and user feedback

Children and Youth services - attendance, breakdown of users, activities, incidents, risk assessment and health & safety update, recommendations, user feedback

The management committee will have appointed members to take overall responsibility for;

Financial records, budgets and cost plans
Employee supervision
Health & Safety
Child Protection & PVG registration
Volunteer Supervision
Children & Youth services
Marketing

Volunteers

The core children and young peoples' services will continue to be run by volunteers with support from the centre manager. Volunteers will additionally be used to manage the charity shop space and cover some reception duties. All volunteers will be required to complete the groups' Recruitment of Volunteers procedures and will receive supervision from a nominated committee member.

The Fitness suite

This facility will be run by the organisation as implemented at the Bettyhill North Coast Leisure Centre, rather than joining the Highlife Highland scheme which is no longer available to independent organisations. There will be several payment options available to users. A 'Pay as you go' fee or an annual loyalty payment which entitles users to purchase a three month unlimited use package. There will be concessions for residents receiving financial support.

Each individual using the Gym will need to undergo a gym induction course provided by the level 2 trained staff. Following an induction, users aged 16 and over may access the gym unsupervised. Users aged 12 to 15 can either access the gym following induction, with an adult who has parental responsibility or through fixed supervised sessions provided by KOSH. Users aged 11 -14 will have no access to free weights. All Gym users will be required to complete a registration form and sign a code of conduct.

The gym will be monitored through surveillance at reception and will have an emergency button. The Gym will be inspected daily by the centre staff with health and safety reports completed weekly and reported to management at committee meetings. Emergency matters will be relayed directly to the nominated committee Health & Safety representative.

Soft Play Centre

The Soft Play Centre will be managed by the centre staff. Admission fees will be taken at reception and all users will be required to sign an In and Out daily record sheet. All children must be supervised by an adult independent of the centre unless they are accessing the facility through one of the groups clubs.

The soft Play Centre will be inspected daily by the centre staff, with health and safety reports completed weekly and reported to management at committee meetings. Emergency matters will be relayed directly to the nominated committee Health & Safety representative.

Children and Youth Facilities

The centre manager together with existing and new volunteers will work together to continue existing projects and develop new ones. The Manger will be responsible for compiling volunteer rotas and ordering equipment for the projects to run as identified by the volunteers. Volunteers will produce an art activity programme for each after school club as currently practised.

The Manager will identify training opportunities for the volunteers and potential funders to support the projects. Volunteers will receive supervision support from a nominated management committee representative.

Community Support Room

The centre staff will be responsible for maintaining and promoting the rental of these spaces including the upkeep of contracts and rental agreements.

FINANCE

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 £
Construction	Construction Cost Allow for contingencies 5% Total:	1,353,670 67,684 1,421,354			
Fees	Design Team Fees on construction 15.95% Design Team fees for Value engineering Fees on contingency Less amount paid pre planning Total fees	215,910 19,760 10,796 38,976 207,490			
Items outwith construction contract	Soft play Fit out Fitness suite fit out Youth Space fit out Café equipment & china Surveys SSE Connection Final Fit out Non recoverable Vat on fees Non recoverable Vat on Construction Total non construction	75,500 75,000 7,000 8,330 14,186 13,500 18,500 12,696 79,596 304,308			
Total Project Cost £		1,933,152			
Total Funding Request £		50,000			

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 £
Growing community Assets Big Lottery	1'270.990			
People and Communities Fund	175,000			
Highland & Islands Enterprise	200,000			

SSE Achany Windfarm	25,000			
EON Rosehall Windfarm	25,000			
Robertson Trust	25,000			
ALL Above Successful	1,720,990			
SSE Regional Development Fund	65,000			
Leader	30,555			
Beinn Tharsuinn Creich	3,000			
Beinn Tharsuinn Ardgay	2,000			
Beinn Tharsuinn Edderton	2,000			
Big Lottery	59,607			
All Above Awaiting Decision	162,162			
Totals	1,883,152			

OUTCOMES

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
<p>Outcome</p> <p>Successfully oversee the construction of a new innovative building to create a Hub of activity for KOS residents, visitors and Tourists, that is on budget.</p> <p>Indictaors.</p> <ul style="list-style-type: none"> • Building certificate issued • Employees awarded 	<p>Outcome1</p> <p>Communities will have will have greater access to improved youth and family services through the development of a new community hub in the Kyle of Sutherland to reduce isolation and increase well being.</p> <p>Indicators</p> <p>35 older and more vulnerable</p>	

<p>contracts</p> <ul style="list-style-type: none"> • Grand opening implemented 	<p>residents feel less isolated through increased participation and access to new services. 82 new children and family members have access to indoor soft play facilities. 410 people have access to the new gym facility. 150 people report that they feel less isolated and have an improved sense of well being.</p> <p>Outcome 2</p> <p>Provide structured, supervised and empowering volunteering opportunities for people aged 12 to 60+ that will improve and support employment potential, skills development, social interaction, esteem and community participation.</p> <p>Indicators</p> <p>The group aims to have 10 young people involved in volunteering opportunities The group aims to have 5 volunteers over 60 involved in volunteering opportunities There will be 12 other volunteers involved in activities There will be 15 volunteers accessing training courses</p> <p>Outcome 3</p> <p>Create opportunities so that community members can develop and access activities that facilitate physical, intellectual, creative and social development to benefit health, community cohesion and general well being.</p> <p>Indicators</p> <p>Develop three targeted gym programmes for women, young people and over 60's. Four new children's clubs created</p>	
--	--	--

Four community events held
185 young people's
membership safeguarded,
with an increase in
membership of 25

Outcome 4

Integrate a flexible means of
revenue generation to ensure
financial stability and long
term success of a community
owned asset that will be
affordable and accessible to
KOS communities and
attractive to visitors.

Indicators

140 gym loyalty card and
subscription users, 70 PAYG
gym users
84 lunches per week
200 rehabilitation users
47 weekly soft play users, 25
soft play parties