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|-------------|------------------|
| Agenda Item | 14 |
| Report No | RES/42/17 |

HIGHLAND COUNCIL

Committee: Corporate Resources

Date: 30 August 2017

Report Title: **Capital Discretionary Fund – Applications for Financial Support**

Report By: Director of Finance

1. Purpose/Executive Summary

- 1.1 This report asks the Committee to consider a number of applications for financial support from the Capital Discretionary Fund, and to consider the option of providing a financial guarantee.
- 1.2 The report highlights that whilst there are sufficient funds to agree all applications, it draws reference to the financial pressures on the overall Capital Plan, and the risks of fully committing all available funds at this stage of the year.

2. Recommendations

- 2.1 Members are asked to:
 - i. Consider the wider financial implications and choices around the Capital Discretionary Fund in the context of significant financial demands on the Capital Plan and its affordability as set out in Section 4 of this report.
 - ii. Consider the three funding applications, including the potential to refuse or defer applications at this stage.
 - iii. Consider whether the Committee wishes to place specific application dates for funding applications as per para 4.5.
 - iv. If approving the grant award for Gairloch & District Heritage Co Ltd then to consider providing a loan guarantee in addition.

3. Background to the Capital Discretionary Fund

- 3.1 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.
- 3.2 Resources Committee, at its meeting on 24 August 2016, agreed revised criteria for considering all applications. These are:-
- Applications should not be for more than 50% of the total project cost;
 - Applications should generally be from the Third Sector or Community Groups, but include Common Good or Trust Fund related projects;
 - All applications must support the principles of, and evidence support for, the delivery of the Council's objectives in line with the Programme "*Highland First*" and successor Administration's programmes;
 - All applications must meet the definitions of capital expenditure;
 - All applications must use standard grant application forms, supplemented by additional information if appropriate;
 - The Council will not consider a further application from the same Group within a period of twelve months from the date the application is approved by the Committee, although resubmissions of the same project would be considered;
 - Any grant awarded will be time limited to a maximum period of three years
- 3.3 In general terms all three applications meet the above conditions as appropriate.
- 3.4 At its meeting on 8 February 2017, the Committee agreed to defer consideration of four applications due to the fact that there was insufficient funding available at that time, and members wished to afford the new Council the opportunity to review applications afresh, and not prejudice new projects coming forward for consideration later in the year.
- 3.5 For this meeting, two of the deferred projects are brought back for consideration. The previous application in respect of Dornoch & District Community Association has been withdraw following an unsuccessful application to the Lottery Fund which formed a significant proportion of the proposed funding package. A fourth (The Ledge – Marina Climbing Wall £200,000), has not been submitted for further consideration at this stage. No additional information has been received from the Company and officers do not believe that this project is sufficiently advanced to provide the necessary assurances regarding the robustness of its business plan.
- 3.6 In February 2014, the Committee agreed to award Eden Court Theatre £40,000 for the redevelopment of the Orchestra Pit. In May 2017, following various discussions with the Theatre, officers were advised that the project could not proceed as planned due to significantly higher costs being tendered. The Theatre is currently considering other options. This grant commitment has therefore been removed and the Capital Discretionary Fund increased accordingly.
- 3.7 Two projects, Highland Football Academy and Car Parking at Foyers, have

been completed under budget. In terms of the Highland Football Academy the grant claimed has been paid at £6,910 less than the original award of £75,000. For Foyers Car Park the grant claimed has been paid at £2,800 less than the original award of £65,000. These sums have been added back to the Fund balance.

4. Capital Discretionary Fund balance

4.1 The Capital Discretionary Fund was “topped up” by £500,000 under the current agreed Capital Plan. The table below shows the current Fund balance, with a list of current Commitments against the Fund attached at Appendix 1:-

| | £ | £ |
|--|---------------|-----------------------|
| Uncommitted Balance on Fund (per Resources Committee 8 February 2017) | | 66,601 |
| Add: New Funding per 2017/18 Capital Plan | | 500,000 |
| Add: Previous commitments added back to Fund per para 3.6/3.7 above | | |
| - Eden Court Orchestra Pit | 40,000 | |
| - Highland Football Academy | 6,910 | , |
| - Foyers Car Parking | <u>2,800</u> | |
| | | <u>49,710</u> |
| | | 616,311 |
| Less: New Funding awards agreed at Resources Committee 8 February 2017 | | |
| - Linnhe Leisure t/a Nevis Centre | 250,000 | |
| - Muir of Ord Hall and Facilities Company | <u>50,000</u> | |
| | | <u>300,000</u> |
| Total Available Funds as at 30 August 2017 | | <u>316,311</u> |
| Represented by:- | | |
| Total Fund balance | | 1,815,312 |
| Less: Commitments as per Appendix 1 | | <u>1,499,001</u> |
| Net Uncommitted Funds | | <u>316,311</u> |

4.2 The following applications have been submitted for the Committee's consideration:-

| | £ |
|---|-----------------------|
| Lovat Shinty Club | 80,000 |
| Isle of Canna Community Development Trust | 10,000 |
| Gairloch & District Heritage Co Ltd | <u>200,000</u> |
| | <u>290,000</u> |

- 4.3 The above table shows that the value of applications totals £290,000, which is within the uncommitted balance available. Whilst the outstanding awards remain to be drawn down the Council cannot commit more grant funding than it has available.
- 4.4 In light of the pressure on funding the Committee, in considering which, if any, applications it wishes to support should also be minded of the following additional information.
- 4.5 If the Capital Discretionary Fund is fully committed now, then the Committee will be unable to consider any further applications for the duration of this financial year. The Committee may therefore wish to consider whether the current practice of considering applications on a “first come first served” basis is still appropriate, and whether it wishes to suggest dates by which all applications can be considered for a financial year. This could include deferring any decision just now on these projects.
- 4.6 Under the current Capital Plan, the Capital Discretionary Fund will only be “topped up” by £250,000 on 1 April 2018, thereby further increasing the challenge of meeting all funding requests, both current and future.
- 4.7 The Committee is reminded of the report presented to Highland Council on 15 December 2016, and subsequent discussions and reports, around the current Capital Plan and future revisions. Council has been advised by the Director of Finance that, in his judgement, the existing Capital Plan is no longer affordable due to pressures on the Revenue Budget. The Council will consider amendments to the Capital Plan later in 2017/18.
- 4.8 These grant applications will incur annual borrowing costs, including principal repayments, of c£29,000 which are provided for within the Loans Fund Revenue Budget. Nevertheless it does represent an opportunity to generate revenue budget savings if the borrowing is not incurred.
- 4.9 The Committee is therefore asked to consider the wider funding consequences and choices around the Capital Discretionary Fund in the context of significant financial demands on the Capital Plan and its affordability.

5. Discussion

- 5.1 A short analysis of each project is highlighted below, with detailed information attached as appendices to the report.
- 5.2 Lovat Shinty Club (Appendix 2)

The Club is seeking funding to build a new sports and recreational pavilion in Kiltarlity.

In February the Committee was advised that the total cost of the project was £481,784, and that the Club had been successful in attracting grant awards, from a range of bodies, totalling £163,812. Outstanding applications awaiting decision total £225,000. The application to the Council was for £60,000 to bridge the funding gap should all applications be successful.

The Club has now submitted a revised application which is seeking a higher Council contribution of £80,000. The capital cost has reduced slightly to £477,341. Over the last six months the Club has seen success with a number of grant applications and is much closer to securing the funding required to deliver this project. Outstanding applications now total £69,000.

The success of funding applications means that this project is well advanced to be delivered should members be minded to support the application.

5.3 Isla of Canna Community Development Trust (Appendix 3)

The Trust is seeking funding to create a non-tidal vehicle access track on the Isle of Sanday. This will enable Sanday to utilise the road bridge that joins Sanday to the Isle of Canna and to access the existing road without being dependent on tides.

In February the Committee was advised that the total cost of the project was £89,000, and that the Trust had been successful in attracting grant awards from the National Trust for Scotland and the Campbell Fund, totalling £10,000. No detail was provided on any further grant applications. The value of the bid to the Capital Discretionary Fund was £20,000, meaning that the Trust would have to raise a further £59,000 from outside bodies.

The Trust has now submitted a revised application seeking a lower Council contribution of £10,000. The capital cost has reduced significantly to £31,428 and over the last six months the Trust has been successful in attracting grant awards from a number of bodies, totalling £20,950, leaving a small balance of £478 to be raised.

The success of funding applications means that this project is well advanced to be delivered should members be minded to support the application.

5.4 Gairloch & District Heritage Company Ltd (Appendix 4)

This is a new application. The Company is requesting support towards the construction costs of its development and relocation project to create a new community heritage hub in the disused former Council Roads Depot. The Council has already committed to the transfer of ownership of the building as a community asset.

The total indicative cost of the project is £2.364m and the value of the bid to the Capital Discretionary Fund is £200,000. The Company has already secured funding or received pledges of £1.94m. The Council's contribution will make a significant difference to closing the funding gap of £0.424m. The Company is extremely hopeful of securing the balance of funding, principally through LEADER funding. The Company's application for LEADER funding will be considered in November.

With Council support this project is well placed to deliver a successful outcome.

5.5 As part of this project development and delivery the Company has successfully negotiated short term cash flow bridging finance from the Architectural Heritage Fund. One of the conditions attached to this funding is

for the Council to agree to provide a loan guarantee. The loan is for £125,000 spread over a 9 month period and is required imminently to complete the project within the current timeframe, which is driven by the fixed date of 31st December 2018 when the Company is required to vacate their current property.

The risk to the Council would be that the Council would assume liability for the loan repayment in the event of the Company not progressing the project in the timeframe and being unable to repay the loan.

Given the success of the Company in securing a range of grants this risk is seen as being relatively low. However providing a guarantee should only be considered if the Council is minded to support the grant application for £200,000.

Transferring the building at nominal value, providing a grant of £200,000, and providing a loan guarantee would represent a significant commitment by the Council. As part of the of the Council's commitment, it should be noted that within the Company's funding arrangements a further loan from the Architectural Heritage Fund amounting to £200,000 is planned to be drawn down in January 2019 for a term of 1 year. It is anticipated that a Council Guarantee may also be required for this loan.

6. Implications

6.1 Resource – these are outlined in Section 4 of this report. Particular attention is drawn to the fact that should all three applications be agreed then there will be minimal balance left to support further applications this financial year. Wider aspects of funding are highlighted in paragraphs 4.5 to 4.9.

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

Community (Equality, Poverty and Rural) – there are no specific issues to highlight, although individual projects will benefit users in that locality. The range of applications covers a large area of the Highlands, including supporting rural communities.

Climate Change/Carbon Clever – most of the applications have positive outcomes through more efficient buildings

Risk – 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. At para 5.5 the report highlights the financial risk associated with providing a loan guarantee.

Gaelic – all applications support Gaelic and as a minimum offer dual signage

| | |
|--------------------|---------------------|
| Designation: | Director of Finance |
| Date: | 21 August 2017 |
| Author: | Derek Yule |
| Background Papers: | None |

Appendix 1

Capital Discretionary Fund – List of Current Commitments

| Project | £ | Committee approval |
|--|------------------|--------------------|
| Kirkmichael Heritage Centre | 3,500 | FHR 28/8/13 |
| War Memorials (14/15-17/18) | 200,000 | FHR 22/1/14 |
| War Memorials | 110,000 | FHR 22/1/14 |
| Merkinch Community Centre | 15,000 | RC 25/2/15 |
| Lochaber Sports Association | 200,000 | HC 29/10/15 |
| Merkinch Welfare Hall | 28,763 | RC 25/11/15 |
| South Loch Ness Trail | 72,000 | HC 10/3/16 |
| Cromarty Harbour Trust | 50,000 | HC 10/3/16 |
| New Embo Community Centre | 70,000 | HC 10/3/16 |
| WASPS Studio, Midmills College | 100,000 | HC 10/3/16 |
| Evanton Community Trust (footpaths) | 7,200 | RC 24/8/16 |
| Mallaig & District Swimming Pool (balance remaining) | 42,538 | RC 24/8/16 |
| Elsie Normington Foundation | 250,000 | RC 24/8/16 ** |
| Fort Augustus Medical Centre | 50,000 | HC 8/9/16 |
| Muir of Ord Hall | 50,000 | RC 8/2/17 |
| Linnhe Leisure t/a Nevis Centre | 250,000 | RC 8/2/17 ** |
| | 1,499,001 | |

Code

FHR – Finance, Housing & Resources Committee

RC – Resources Committee

HC – Highland Council

** subject to other funding being in place



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

Name of Organisation:

Lovat Shinty Club

Name of Project or Activity Requiring Support:

New Community and Sports Pavilion

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

(Please provide closing date details where applicable)

Discretionary Fund

Is the amount you are applying for:

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

Total amount applied for: £80,000

Estimated cost of funding in kind applied for: £ Not applicable due to LEADER funding criteria.....

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

None

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

| | | | |
|--|---|--|--|
| Third Sector (voluntary or community) organisation | | Community Council | |
| Registered Charity If yes – Registration numberSC046154..... | ✓ | Company Limited by Guarantee If yes – Company Number | |
| 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 | | | |

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?

| |
|-----------------------------------|
| New Community and Sports Pavilion |
|-----------------------------------|

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) | October 2017..... |
| End date (month and year) | June 2018..... |
| Location | Balgate Park, Kiltarlity IV4 7HL..... |

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.

Lovat Shinty Club was formed in 1888. We cover Kiltarlity and Kirkhill areas and provides shinty activities for players of both sexes and from age 4-adult. Club membership is open to all. As a registered charity we have a board of 20 trustees with a sub-committee of 5 currently looking after the building project. Lovat Shinty Club is an affiliated member of the Camanachd Association, our governing body, and as such we follow their Child Protection guidelines. The nominated CP contact within the club is John MacRitchie, club president.

Lovat Shinty Club is embarking on an ambitious project to build a new sports and recreational pavilion to sustain the club's shinty coaching activities, widen participation in the sport and ensure that the Camanachd Cup win in 2015 creates a legacy for the local community. Specifically, the new pavilion will create:

- Improved male changing rooms (long overdue upgrading)
- New children and ladies changing rooms (a first for the club thus meeting CP guidelines)
- Treatment room (available on match and practice days as well as being available to hire)
- Kitchen (to provide catering for shinty matches and community events)
- Social Space (to celebrate the wins in)
- Disabled access (building in 1983 did not accommodate the needs of disabled people)
- Adequate Toilets

We have been working hard to increase our numbers of youth members, which was identified in our development plan as a critical issue, for the long-term success and

sustainability of the club. Youth teams will commonly have both boys and girls playing alongside each other and currently we have no changing facilities for girls. In addition, we have recently formed a ladies' team, and between the youth membership and ladies section, the club has grown considerably.

We hope the new pavilion will provide enhanced opportunities for children to develop new skills, confidence and to feel part of the community. Having won the Scottish Hydro Camanachd Cup in 2015, the club is keen to capitalise on this success and inspire the next generation of players. The new pavilion would provide a sense of pride and identity.

Currently we have support from Sportscotland (£80k), the Robertson Trust (£20k), Leader (£75k) and together with the club's own funds we will make a significant contribution towards the cost of the project. However, we are not quite there yet. A grant of £80,000 from the Discretionary Fund would help us tremendously to fill the gap, being the last brick in the wall as it were.

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

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?

Fairer Highland – Advancing Equality Issues

The Project will provide changing / toilet/ shower facilities which will benefit our recently formed ladies' teams. In addition, youth teams are often mixed sex and at present there are no separate facilities to accommodate them. The new facility will also have enhanced access and facilities for disabled people

Innovation

By making the new pavilion available to other agencies / community groups such as the NHS, Alzheimer Scotland, outwith the planned use by the shinty club, the facility is an innovative use of the sports pavilion.

Sustainability / Legacy

Shinty will continue and the club will continue to develop within the community well beyond the process of building the new facility, which will continue to be available for the benefit of the community. The club was established in 1888 and it has always had a presence within the area and local schools.

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

Dual language signing within the building.

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:

Councillor Margaret Davidson

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 |
|---|-----------------|
| | |
| | |
| | |

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 | | | | | |
| Other Costs e.g. property costs, transport, equipment, insurance, marketing | Please see copy of QS costings for full breakdown of costs. No VAT will apply. | 477,341 | | | |
| Total Project Cost £ | | 477,341 | | | |
| Total Funding Request £ | | 80,000 | | | |

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 £ |
|---|------------|-----------|-----------|---------|
| Sportscotland | 80,000 | | | |
| Leader | 75,000 | | | |
| Robertson Trust | 20,000 | | | |
| Gloag Foundation | 5,000 | | | |
| MacLean Electrical | 10,000 | | | |
| Club contribution | 35,284.11 | | | |
| Benefactor donation | 50,000 | | | |
| Benefactor loan | 65,000 | | | |
| Gift Aid | 40,000 | | | |
| Successful <input checked="" type="checkbox"/> Unsuccessful <input type="checkbox"/> Awaiting Decision <input type="checkbox"/> | | | | |
| Scottish Sea Farms | 12,000 | | | |
| Clothworkers Foundation | 12,000 | | | |
| Garfield Weston | 45,000 | | | |
| Baxter Foundation (application is for funding to support internal fittings and equipment and does not contribute directly to the capital/construction cost of the facility) | 10,000 | | | |
| Successful <input type="checkbox"/> Unsuccessful <input type="checkbox"/> Awaiting Decision <input checked="" type="checkbox"/> | | | | |
| Totals | 380,284.11 | | | |

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

I have attached copies of letters of support from;

Kiltarlity Community Council
Kiltarlity Hall Association
Head Teacher Tomnacross Primary
Camanachd Association
NHS
Scottish Football Museum, Hampden (for Alzheimer Memory Project)
Several alternative therapists

- 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?

- Enhanced sports facilities
- Equal provision for both sexes and all ages
- Kitchen facilities to provide hospitality for visiting teams and other community users
- Disabled access and toilet for members and spectators
- Public meeting space available to other community groups
- First aid room available to NHS for outreach clinics eg health Visitor
- Shinty Memory wall to provide a talking point and social focus for the older generation

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 |
| | | |
| | | |
| | | |
| | | |

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

**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**

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: |
| Year 2: |
| Year 3: |

b) How much funding do/did you receive?

| |
|----------------|
| Year 1: |
| Year 2: |
| Year 3: |

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

| |
|----------------|
| Year 1: |
| Year 2: |
| Year 3: |



APPLICATION FORM FOR ORGANISATIONS APPLYING FOR GRANT AND DISCRETIONARY FUNDING AND FUNDING IN KIND

FROM THE HIGHLAND COUNCIL – Over £10,000

Name of Organisation:

Isle of Canna Community Development Trust

Name of Project or Activity Requiring Support:

Non-tidal vehicle access track to Isle of Sanday

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

(Please provide closing date details where applicable)

Capital Discretionary Fund

Is the amount you are applying for:

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

Total amount applied for: £.....£0,000.....

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

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

n/a

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

| | |
|---|---|
| Third Sector (voluntary or community) organisation | Community Council |
| Registered Charity If yes – Registration number SC046276..... | Company Limited by Guarantee If yes – Company Number447755 |
| Other - please specify..... | |

Please remember guidance to completing the application form is available [here](#).

For official use only
Application reference number

PART 1: ABOUT YOUR ACTIVITIES OR PROJECT

Guidance on completing part 1 can be found on Page 8 of the guidance document.

1.1 What is the name of your activity or project?

Non-Tidal Vehicle Access Track to Island of Sanday

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).....May 2017.....

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

Location.....Sanday, Isle of Canna, Small Isles.....

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.*

Aim of the project:

To create a non-tidal vehicle access track on the island of Sanday. This will enable Sanday to utilise the road bridge that joins Sanday to the Isle of Canna and to access the existing road without being dependent on tides.

How will this happen?:

Agreement: this has been agreed with NTS, SNH and all the crofters, whose land this track will cross.

Land: The Sanday crofters have agreed to provide land, materials and access for this track.

Costs: we have received an initial quote for creating the non-tidal vehicle access track for £89,000 inc VAT

Funding: we have a commitment of £9,000 from the NTS and £1000 from the Campbell Fund. Applications have also been submitted to the MacIntosh Foundation and Highland Council Discretionary Fund.

Timeline: The Canna Renewables project, sited on Sanday, starts in Spring 2017. We would like to develop the Sanday non-tidal access track at the same time to utilise the opportunity of having contractors on the island.

Currently there is only vehicular access to Sanday at low tide via the shoreline. A total of 4 households and 3 self-catering cottages are located on Sanday and 3 new crofting tenants aiming to develop the potential of their crofts. The local Highland Council primary school is also on Sanday.

The project will be managed by the Isle of Canna Community Development Trust who will engage a suitable contractor to carry out the works.

Ongoing maintenance will be carried out by qualified members of the community as currently happens on the adjacent island of Canna.

Who will benefit?:

The beneficiaries from this project will be the populations of both Canna and Sanday, visitors, contractors, school children and Highland Council staff. This will be the first time in the island's history that proper vehicle access has been provided.

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

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?

This project will allow full access to the island of Sanday for the first time. also allowing safe access for those with restricted mobility as well as safe access to the primary school for children.

The project allows the communities of Canna and Sanday to become more integrated and less dependent on tidal conditions.

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

Any signage will be in both English and Gaelic

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:

Councillor Allan Henderson
 Dot Ferguson
 Martin Jones
 Martin Culbertson (LEADER)

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 |
|---|-----------------|
| | |

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 | | | | | |
| Other Costs e.g. property costs, transport, equipment, insurance, marketing | Supply of plant and labour to create the access track Quotations attached | 31,428 inc VAT | | | |
| Total Project Cost £ | | 31,428 Inc VAT | | | |
| Total Funding Request £ | | 10,000 | | | |

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 £ |
|--|----------|-----------|-----------|---------------|
| National Trust for Scotland Successful ✓ | 9,000 | | | 9,000 |
| The Campbell Trust Successful ✓ | 1,000 | | | 1,000 |
| Just Giving fundraising Successful ✓ | 3,750 | | | 3,750 |
| Local fundraising and private donations Successful ✓ | 2,200 | | | 2,200 |
| The MacIntosh Foundation Successful ✓ | 5,000 | | | 5,000 |
| local donations jars - estimated fundraising expected Successful <input type="checkbox"/> Unsuccessful <input type="checkbox"/> Awaiting Decision <input checked="" type="checkbox"/> | 478 | | | 478 |
| Totals | | | | 21,428 |

*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)

A community survey was carried out in 2016 and has been attached to demonstrate local need for the project.

Physical evidence – There is no existing road resulting in vehicular and foot access being restricted according to tidal conditions.

Currently there is no safe access to the primary school. In bad weather there is no vehicle access to the island and there are health and safety issues surrounding primary school children walking to the school via a bridge and then across an exposed hillside (this is particularly true in the winter with no street lighting on either island) or around the shore if the tide is sufficiently out.

No access for emergency services or those with restricted mobility.

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

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

Having a non-tidal vehicle access track for the houses on Sanday would mean that members of the community can get to and from the Canna road without being reliant on the tide. This will have several economic, social and environmental benefits to both communities.

What difference will this project make?

School: The primary school is on Sanday, in bad weather the schoolchildren travelling over from Canna to the primary school on Sanday can get to / be collected from the school.

Medical Services: the Doctor can visit patients on Sanday at their homes without relying on the tides.

Crofting: there are 9 crofts on Sanday and 3 new crofters, all of these crofts will have significantly better opportunities for development of agriculture and other small businesses if there is vehicle access.

Social events and inclusion: with vehicle access islanders can attend community events on either island.

Animal husbandry and welfare: Vehicle access will enable emergencies to be dealt with quickly and safely both for livestock and those attending the situation.

Small Businesses: those living on Sanday with businesses on Canna can get to and from work at any time. Examples are Cafe Canna whose day ends later at night and vital for the farm manager attending to livestock.

Housing: any new housing development will use land or existing buildings on Sanday so vehicle access will be essential both at the development stage and then for the people who will live in those new houses.

Environment: a track makes the use of bicycles easier, reducing vehicle use on the Canna road.

Visitors: key attractions on Sanday are St Edwards and the seabird colonies, especially puffins. Vehicle access makes these accessible to those with reduced mobility or small children who find the walk too long or difficult.

Emergency Services: In the event of an accident casualties can be taken to the helicopter landing site on Canna or if emergency services are needed they can be accessed e.g. if there is a fire

Economic Development: Marine Harvest have a proposal to site a fish farm at Canna. Staff housing would be sited on Sanday with vehicle access essential.

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 |
|--|---------------------------|---------------------------|
| The non-tidal vehicle access track for Sanday has been completed | | |
| Days that children do not attend school due to weather reduced | | |
| Increase in numbers and types of visitors to sites of interest on Sanday | | |
| Development of new visitor accommodation on Sanday | | |
| Development plans for new crofting activities on Sanday | | |
| Draft development plans for housing development on Sanday are in place | | |

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

Additional activity would include maintenance of the track. There is a commitment from community volunteers and the Isle of Canna Community Development Trust to provide volunteer hours for this as already done for the road on Canna. Materials for maintenance are available e.g. rock rubble are available on the island.

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:

Year 2:

Year 3:

b) How much funding do/did you receive?

Year 1:

Year 2:

Year 3:

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

Year 1:

Year 2:

Year 3:



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

Name of Organisation:

Gairloch & District Heritage Company Ltd

Name of Project or Activity Requiring Support:

Our land, our people, our story:
The development and relocation of Gairloch Heritage Museum

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

(Please provide closing date details where applicable)

Capital Discretionary Grant

Is the amount you are applying for:

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

Total amount applied for: £200,000

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

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

None

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

| | | | |
|--|-------------------------------------|---|-------------------------------------|
| Third Sector (voluntary or community) organisation | <input checked="" type="checkbox"/> | Community Council | <input type="checkbox"/> |
| Registered Charity If yes – Registration number SC010249 | <input checked="" type="checkbox"/> | Company Limited by Guarantee If yes – Company Number SC426095 | <input checked="" type="checkbox"/> |
| Other - please specify..... | | | |

Please remember guidance to completing the application form is available [here](#).

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

PART 1: ABOUT YOUR ACTIVITIES OR PROJECT

Guidance on completing part 1 can be found on Page 8 of the guidance document.

1.1 What is the name of your activity or project?

**Our land, our people, our story:
The development and relocation of Gairloch Heritage Museum**

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) January 2018 (construction on site)
End date (month and year) December 2018 (building ready for move-in)
Easter 2019 (open for business)
Location Former Highland Council Roads Depot, Gairloch.
IV21 2BH

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.

Project support requested

Gairloch & District Heritage Company (GDHC) is requesting support towards the construction costs of its development and relocation project to create a new community heritage hub in the disused, former Highland Council Roads Depot (once the Anti-aircraft Operations Room - AAOR). The project will regenerate this prominent derelict site on the main tourist route through Gairloch. Opening is scheduled for Spring 2019. The Highland Council has contributed significantly to the progress to date, including by agreeing to transfer the building to GDHC for a nominal sum, and through its mentoring of two successful grant applications to the Scottish Government (RCGF and VDLF), totalling £445,195. We are extremely appreciative of all that Highland Council's officials and councillors have done so far.

The full project costs are estimated to be £2,363,714. We have secured more than 80% of our fundraising target (see detail in section 1.10) and are confident that we will be successful with other applications in progress, particularly that for LEADER funding (c.£168K). However, until the deficit is funded, the project cannot proceed.

To delay the project beyond the proposed construction start date of January 2018 would bring unacceptable risks:

- * increasing the construction costs
- * losing funding pledges already made as time scales are extended
- * losing business tenants anticipating a Spring 2019 opening
- * demoralising the Board, curator, volunteers and the local community as, despite their unremitting efforts to date, the funding target seems so near, and yet so far.

Whilst an active fundraising campaign is ongoing, most opportunities have already been fully

explored. This application is therefore critical in ensuring that the project is delivered on time. We cannot risk further delay - and the GDHC Board will not agree to complete the purchase of the AAOR until it is confident that the partnership funding is in place to deliver the project.

The proposed use of funding support awarded:

The Highland Council's funding would contribute towards the costs of the contract works to repair and adapt the AAOR to its new use. (See Section 1.9 for details.)

Other aspects of the project (project staffing, activity plan, collections) will be funded from grants and pledges of awards already secured or through applications pending (e.g. LEADER).

Background information:

***Our land, our people, our story:
The development and relocation of the Gairloch Heritage Museum***

Gairloch Heritage Museum (GHM) has been the centre for heritage in Wester Ross since the 1970s. Our collection is an invaluable record of a way of life, language and land use dating back 5000 years. We were one of the first independent museums in the Highlands to be awarded full MGS accreditation in 2009, successfully retained in 2013 and 2016. Our professional curator is supported by a 'regular army' of more than fifty committed volunteers, from across the parish, so contributing greatly to the social cohesion of our townships.

Since 2011 the Board of GDHC, responsible for the Museum and its wide-ranging engagement and learning activities, has been working to ensure that the Museum will not have to close when our lease ends on the traditional steading buildings, close to Gairloch village centre, which have always been our home. Originally expiring in 2015, the lease has now been extended, at considerable cost, until December 2018. In the meantime, it is proving expensive, and increasingly challenging, to meet the environmental and collections standards required of an accredited museum within the current building, which also has none of the facilities expected of a key tourist attraction.

After many years of searching, and several 'false starts', Highland Council's 'old roads depot', was identified as having the potential for the long-desired, purpose-designed heritage centre. It fulfils all the qualitative criteria and offers the best value for money (as detailed in the *Options Appraisal* – December 2013 – available on request and to view on our website). An additional incentive is that it is also of significant historic interest, once the AAOR from the Cold War era, and the only one of the four built in Scotland which can still be put to productive use. After Highland/LEADER-supported feasibility studies and initial business planning objectively demonstrated its viability, the Highland Council Planning and Resources Committee unanimously endorsed the recommendation of their officers that the AAOR site be sold to Gairloch & District Heritage Company for £1, as a community asset, provided that the necessary monies for conversion were secured (decision - November 2012).

The success of the project since then has been the result of the very effective working relationship between GHDC's Project Development Group, (key Board members and our professional curator) and our consultants. Following the necessary competitive procurement processes, a project manager (Mia Scott of Mia Scott Associates, Inverness) and a design team (led by LDN Architects of Forres) were selected. Having secured Round 2 approval of £725,600 from the Heritage Lottery Fund in December 2016, the project has gained further support from the Highland Council (including the sponsorship for VDLF and RCGF funding applications to the Scottish Government) and Highlands and Islands Enterprise. GDHC has already raised more than £160,000 of its £200K target from the local community through a wide range of activities (some of which has paid for costs essential to, but not included in, the "project" calculations) and has a commitment of £100,000 from SSE's Sustainable Development Fund, £50,000 from each of the Foyle Foundation and the Garfield Weston Foundation, £40,000 from the Wolfson Foundation as well as a number of smaller grants from private trusts.

The benefits

There are many benefits that the project will deliver for heritage, people and communities.

1. The AAOR offers the facilities and space essential to enable the Museum greatly to improve its offer as a significant tourist heritage attraction. In the new premises, we will be able to

- *add to our collections, static for too long owing to the deficiencies of our current premises
- *properly care for and conserve our objects, documents and archives
- *present permanent displays (greatly extending what is currently available) of character and integrity, and temporary exhibitions of historic and artistic interest, (including some on loan from national collections), to encourage tourists and local visitors to come, and come again
- *provide library, family history and genealogy resources (including Gaelic) for researchers both in person and via the internet
- *broaden our audience base, increasing the number and range of people engaged with, and enjoying, heritage activities, be they on site or outreach from the Museum, with a particular aim to involve more young people and families.

2. Integral to the project is a learning partnership with West Highland College (UHI) who are committed to using the AAOR as a base for the greatly extended further and higher education learning and training programme they wish to offer in the Gairloch area. A particular focus is to improve the retention of economically active people in the community and to establish courses at higher skills levels given the widespread concern at the number of young people who leave the area as soon as they finish high school. WHC will also collaborate with GHM in delivering training in heritage and cultural skills for more volunteers across all age groups. The facilities available are also being seriously considered as a base for the new Science Skills (Newton Room) outreach work which is part of the Inverness City Deal.

In addition to the benefits of partnership with WHC, the Museum has a *Memorandum of Understanding* with Sabhal Mòr Ostaig, which is predicated on being able to use our Gaelic resources for student placements and research from the AAOR base.

3. The project is an exemplary imaginative and energy-efficient conversion of a redundant, dilapidated building, on a prominent site in the centre of Gairloch, which delivers significant visual and environmental benefits.

4. We are creating two/three business units for let to local enterprises (we have already received several expressions of interest) and will be extending considerably the Museum's own retail area. This will deliver significant economic impacts across the community and underpin the long-term sustainability of operating the Museum in its new home as detailed in our *Business Plan*. These tenancies are vital to the survival of the museum as a social enterprise, given the continuing reductions in core funding for museums from Highland Council.

Highlands and Islands Enterprise recognises Gairloch parish to be a 'fragile' area. The Museum project *'fits well with HIE's strategy for fragile areas, which seeks to help communities take responsibility for shaping their future, develop innovative, strong and growing social enterprises, support community asset ownership and services and exploit the area's unique cultural assets, including Gaelic, to create vibrant, strong communities.'* HIE have supported the AAOR project from the outset, with officer advice and considerable funding support, and has committed, in principle, a substantial 10+% of the costs of the construction stage. GDHC is now an "Account-managed client" of HIE.

The proposed development also contributes to the delivery of a number of the agreed priorities of the Highland Council's Single Outcome Agreement:

- *Economic recovery and growth arising from increasing visitor numbers
- *Employment (additional direct and indirect employment opportunities)
- *Early years

- *Safer and stronger communities
- *Physical activities (trails and walks)
- *Older People.

In summary, this ground-breaking collaboration between the museum, community groups, higher education providers and local businesses will deliver a dynamic heritage hub, a community-owned asset and a shared centre for learning that will bring significant benefits to Gairloch parish's residents and visitors. Once complete, the sustainability of GHM will be secured as visitor numbers increase and dependence on revenue funding is reduced through new income streams and partnerships.

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

No (Not yet!) GDHC has however received an offer, dated 29 January 2016, from Highland Council to sell the AAOR to GDHC, subject to all funding being in place.

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

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?

One of the key aims of the conversion of the AAOR into a heritage and learning centre is to broaden our current audience base, beyond those who can be accommodated in our current C19 Steading location which is seriously constrained in terms of space and facilities for the

young, elderly and anyone less mobile. At present, without meeting room, toilets, refreshment facilities etc., very little can be offered to groups, or even individuals, to engage in heritage, cultural and related 'social' activities, be they visitors or volunteers. The plans for the proposed, converted AAOR include full disability access (with lift), multi-activity/education room, and meeting and social spaces for research, life-long learning and heritage/cultural presentations. Such purpose-built facilities will enable and encourage access for those people who cannot participate currently.

The partnership with West Highland College will make available a wide range of courses and training, at all levels and for all abilities, to benefit those who are currently unable to access work and/or life enhancement opportunities.

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

GHM promotes the Gaelic language and culture through events such as ceilidhs, concerts and the oral tradition. Many aspects of the project relate to developing these aspects further and, specifically, to exploiting our own Gaelic resources. It has an important, but not yet well-used, collection of Gaelic materials – books (including rare C18th and C19th century religious and secular tomes), documents, oral tapes, the Kay Matheson collection of letters and other papers, together with a wealth of language and map work prepared by Roy Wentworth, our first curator. A Gaelic language and cultural heritage development programme is therefore an important strand in the Museum project and we commissioned Roddy Maclean to help us develop a strategy for Gaelic, which was adopted by the Board in January 2016. The first action - to create a Gaelic Loans Box for school and other group use - is currently underway, although most of what we hope to do will not be possible until we are in our new heritage centre.

Furthermore:

*a Memorandum of Understanding has been agreed with Sabhal Mòr Ostaig, to collaborate on research, and to use the educational resources of both institutions for the promotion of Gaelic language and study

*the local Gaelic Toddler Group ((Bord na Gaidhlig-funded) has expressed interest in using one of the available rooms as a permanent base

*the Gaelic language will be incorporated across our displays using a variety of audio-visual techniques.

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:

The eligibility of this application was confirmed at a meeting with Stuart Black and Alan Webster on 29 March 2017 attended by Roy Macintyre, GDHC's Chairman, and Mia Scott, Project Manager.

Derek Macleod and Kate Stephen, Ward 5 councillors, have been directly informed that we are making this application and are very supportive. For many years now, Robbie Bain has been regularly updated on our progress by Dr. Karen Buchanan, our Museum Curator, and/or Roy Macintyre, Board Chairman. A local businessman, Peter Siggers, who is a Highland Councillor for Ward 18, has long known about, and supported, the museum project.

On 6 June, Roy Macintyre (Board Chairman), Hugh Macintyre (Vice-chairman) and Mia Scott

(Project Manager) discussed the project with Margaret Davidson, leader of the Highland Council. Consequent of this meeting, discussions have recently taken place since with Ian Murray and Graham Watson of High Life Highland.

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 |
|---|-----------------|
| The Highland Council has already committed to the transfer of ownership of the redundant Gairloch Roads Depot (AAOR) to the Gairloch & District Heritage Company Ltd as a community asset. (Planning and Resources Committee resolution: 28 November 2012; formal offer letter: 26 January 2016). | £70,000 |

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 £ | Total £ |
|--|----------------------------|------------------|---------------|------------------|
| Construction works (details available) | 1,598,497 | 1,558,535 | 39,962* | 1,598,497 |
| Design team fees | 198,552 | 193,588 | 4,964* | 198,552 |
| Project management | 40,000 | 39,000 | 1,000* | 40,000 |
| Expenses | 10,000 | 10,000 | | 10,000 |
| Insurance, legal costs | 12,000 | 12,000 | | 12,000 |
| Dismantling, removal & fit out | 10,000 | | 10,000 | 10,000 |
| Exhibition | 335,940 | 327,542 | 8,339* | 335,940 |
| Activities | 75,725 | 60,725 | 15,000 | 75,725 |
| Working capital | 18,000 | 17,550 | 450* | 18,000 |
| Project contingency | 65,000 | 63,375 | 1,625* | 65,000 |
| Total Project Cost £ | 2,363,714 | 2,282,314 | 81,400 | 2,363,714 |
| Total Funding Request £ | | | | 200,000 |

* Year 2 costs relate to 2.5% retentions

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

(Please note that unsuccessful applications have not been included but a list can be provided if required)

| Organisation and status of application | 2017-19 (HLF delivery stage) £ |
|--|---|
| Heritage Lottery Fund Successful <input checked="" type="checkbox"/> | 725,600 |
| Regeneration Capital Grant Fund Successful <input checked="" type="checkbox"/> | 350,000 |
| Highlands and Islands Enterprise Successful <input checked="" type="checkbox"/> | 245,000 |
| SSE Sustainable Development Fund Successful <input checked="" type="checkbox"/> | 100,000 |
| Vacant & Derelict Land Fund Successful <input checked="" type="checkbox"/> | 95,195 |
| Museum Galleries Scotland Successful <input checked="" type="checkbox"/> | 40,000 |
| Foyle Foundation Successful <input checked="" type="checkbox"/> | 50,000 |
| Garfield Weston Foundation Successful <input checked="" type="checkbox"/> | 50,000 |
| Wolfson Foundation Successful <input checked="" type="checkbox"/> | 40,000 |
| Radcliffe Trust Successful <input checked="" type="checkbox"/> | 5,000 |
| Family trusts (Carl Mayl & Daphne Parker & Ravendale Trusts) Successful <input checked="" type="checkbox"/> | 55,000 |
| Hugh Fraser Foundation Successful <input checked="" type="checkbox"/> | 15,000 |
| Baxter Foundation Successful <input checked="" type="checkbox"/> | 8,000 |
| Highland Council Ward Discretionary Fund Successful <input checked="" type="checkbox"/> | 3,000 |
| Community Fund Raising (after paying some of Building Warrant costs) Successful <input checked="" type="checkbox"/> | 148,500 |
| HMRC Gift Aid | 10,000 |
| Total - already secured/pledged | 1,940,295 |
| Target | 2,363,714 |
| Funding gap £ | 423,419 |

| Organisation and status of application | 2017-19 (HLF delivery stage) £ |
|--|---|
| LEADER Confidently anticipated <input type="checkbox"/> <input checked="" type="checkbox"/> | 167,970 |
| Community fundraising Target - <input type="checkbox"/> <input checked="" type="checkbox"/> (ongoing 2017-2019) | 40,000 |
| HIE Community assets funding Confidently anticipated <input type="checkbox"/> <input checked="" type="checkbox"/> | 8,875 |
| Anticipated further monies 2017-2018 | 216,845 |
| Anticipated funding gap (as of 29 June 2017) | 206,574 |

*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)

a) Over the five years of extensive consultations, strategic and business planning and development work, local people have demonstrated how strongly they recognise the need for this centre for heritage and learning and a landmark visitor attraction. As one resident tellingly said: '*the roots of the community are reflected in the museum ... if you take away the roots, the community fails to thrive*'. Our project is fundamental to realising our strategic vision 'to be a vibrant centre for the living heritage and culture of the communities of the Gairloch area', and to deliver our three core aims, which are to:

- sustain our living heritage through conserving our collection, maintaining local traditional skills and promoting these locally, regionally and internationally
- promote and support our cultural heritage and contemporary activity
- become the cultural focal point of the community.

Community consultations were held in 2011-12 initially, with a range of surveys being carried out both then and since. These have included inviting local people to contribute their views through response to articles in the fortnightly *Gairloch and District Times*; museum visitors completing formal surveys (over 600 have been analysed), as well as providing individual feedback, (through comments in our Visitor Book and Facebook); event evaluation; and specific consultations with stakeholders. In early 2016, sessions were held in five different villages across the parish to display the project proposals and to test audiences' opinions, perceptions and understanding of the plans. We have also worked with visiting school groups and adults with complex needs to ensure we appreciate their expectations and needs. An *Audience Report* (available on request) was written by the Project Curator (June 2016) which details how community responses have been researched and analyses the outcomes.

Many letters of support have been received, including from: university departments (particularly those with Gaelic and/or geology interests as these aspects are to be developed considerably within the new museum offer); National Museums Scotland and Highland museums; Highland Archaeology & Archive services; Scottish Natural Heritage; National Trust for Scotland (Inverewe - with whom an ever closer partnership is being developed); all local community councils; local businesses and community groups; local schools etc., who all recognise the risks to the economic well-being and cultural heritage across this part of Wester Ross should the project fail at this stage and GHM have to close.

More than 60 volunteers have helped with project-related activities in the past two years (over and above the 50+ who support the day-to-day organisation of the museum) and c.£160,000 (of the £200,000 target) has already been raised by and from the community, which is testament to the commitment of local people to ensuring the future of their heritage museum.

b) HIE has designated Gairloch Parish as “fragile” according to the Scottish Government’s key indicators. The community is being weakened through population loss as people leave for further education and work, (leading to an imbalanced age profile), employment opportunities are limited, incomes low, the infrastructure (including digital connectivity) is poor and the area is remote with extremely restricted transport facilities.

Gairloch village itself is situated in the most access deprived datazone in SIMD 2012: Ross, Skye and Inverness West. It has a rank of 2 so is amongst the 5% most access deprived areas in Scotland. According to the Highland Council’s ward statistics for Wester Ross, Strathpeffer and Lochalsh, the ward has only 2.4 persons per sq.km compared to 201.9 for Highland, evidence of our rural isolation. It also has a significantly smaller working age population, with 26.2% between the ages of 16-44, compared to 37.3% for Highland, evidence of the loss of young people and families because of the lack of opportunities for them locally. A higher % of population is aged 65-73, 13.9% compared to 10% for Highland, and 7.7% are aged 75-84 compared to 6% in Highland.

Gairloch Parish has the second highest % of self-employed workers in Highland which reflects the lack of local employment opportunities: 18% compared with 11% for Highland and 7.5% for Scotland as a whole. A disproportionately high % of people work in the low wage sectors of agriculture, farming and fishing, 7.2% in the ward compared with 1.5% in Scotland. As the traditional work in crofting and fishing declines, the economy has become increasingly dependent on seasonal industries such as tourism and hospitality: accommodation and food services account for 22% in the ward compared with 7.2% in Scotland. There is no train station and but one bus daily to Dingwall, the nearest service centre, 59 miles from Gairloch. Other villages in the area are even more remote, with very poor road access and no bus service at all.

It is acknowledged by Highland Council and Highlands and Islands Enterprise that the lack of work, of education and skills training beyond school age and of business creation opportunities must be addressed to prevent further decline and population loss. The shortage of office/workshop space for rent in Wester Ross was identified in a Property Demand Survey undertaken by HIE in 2007 and there have been no improvements since.

Furthermore, for several years now, West Highland College (University of the Highlands and Islands) has been actively looking for premises, without success, to enable it to extend adult learning (both further and higher) and training provision to allow young people the choice of staying in the area, and to improve the skills levels of adults for employment and purposeful ‘retirement’.

Our project, to convert the AAOR into a heritage and learning centre and which creates three business opportunities beyond the expansion of our own enterprise, will help to address these evident needs. The support received to date from the Scottish Government (Highland Council), HIE, SSE and other funding partners is recognition that our community project delivers such sustainable development. That our Round 2 LEADER application scored 15/15 on their criteria is further endorsement.

c) We have visited many heritage development projects over the past five years as part of our research and planning (including Shetland Museum; Black Watch Museum; Museum nan Eilean and Biggar Museum). They have increased their footfall and sustainability as a result of the initiatives undertaken.

However, we have not come across any community museum which is integrating heritage, learning and enterprise in the diverse ways we propose, which is what makes our project so innovative, exciting and attractive.

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?

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

The development and relocation project has been ongoing since 2012. The initial project preparation costs (initial feasibility studies, architectural designs, project planning etc) were supported by LEADER and HIE, with a project curator post (January 2015-June 2016) funded by grants from Museum Galleries Scotland and the Robertson Trust.

The Heritage Lottery Fund awarded a Round 1 development grant of £36,200 in 2014, with HIE contributing c.£25,000 and the Highland Council £5,000. GDHC provided the balance towards the c.£73K costs (excluding 'in-kind contributions and volunteer hours).

Community fund-raising paid for the Building Warrant preparation costs of c.£33,000 2016-2017. (Some of these costs will be recoverable once HLF gives us "permission to start. The Building Warrant was granted in February 2017.

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 |
| People are empowered to take control of community assets | People have access to new economic opportunities | People will have access to the learning and development opportunities they need |
| Target: The AAOR is acquired by GDHC | Target: no. of sq metres of business floorspace created | Target: no. of courses delivered by West Highland College from the AAOR |
| Target: The AAOR is refurbished and brought back to use | Target: no. of new jobs created | Target: no. of training places created at the GHM during the project |

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

The outcome of this ground-breaking project, a collaboration between Highland Council, GDHC, local businesses, community groups and higher education providers, will be a dynamic cultural hub and shared centre for learning for the community and its visitors.

Future financing

A critical element of the business model for the AAOR project is the provision of space for let by local businesses, community organisations and educational institutions. These include the two business units at the front of the building, education room and the activity room on the ground floor, and the opportunity to develop a café on the first floor.

This will deliver direct benefits for GDHC by generating valuable new income streams, which will strengthen its financial sustainability and reduce its long term dependence on public revenue funding, allowing it to maintain the outcomes of the project after the grant ends.

There will be further benefits, in terms of the ability of the museum to attract a greater footfall of people using the building, people who might not normally have visited the museum. This in turn will increase the trading potential of the museum shop and the café.

Staffing

It is proposed to retain a full time curator and, when GHM moves to the AAOR, a full time commercial manager with significant commercial and retail experience will be appointed to provide business support to the parent company and the trading company and to interface with all other business users of the building. It also proposed to seek annual funding to develop GHM's programme of projects, which will include revenue support for a project officer.

It is also proposed to employ a part time administrator, possibly on a job share basis with the GALE centre, to take on general administrative duties and oversee the management and maintenance of the building.

GDHC will contract in services for cleaning and grounds maintenance.

GDHC is currently in dialogue with a range of organisations who have expressed interest in the let-able spaces in the AAOR. These include commercial interests in the café and business units, in addition to community groups and education providers who would be keen to use the education and activity rooms.

The income and expenditure projections in the *Business Plan* demonstrate that the museum can meet its increased running costs (including additional staffing) and that in Year 1 the museum will generate a surplus of c.£6,500. Each year this fund will build to provide GHM with a 6 month operational reserve and funds for future repairs and maintenance.

Resilience

The resilience of GDHC will be strengthened by our collaborative ventures with new partners and the wider range of activities in the AAOR will anchor the museum's place as a vibrant cultural hub for the whole community. The momentum of the enhanced

learning and engagement activities will be sustained by seeking funding for project posts as appropriate.

The commercial manager (a trained management professional) will assume responsibility for business sustainability, fund-raising and marketing activities, allowing the curatorial staff to focus on the preservation and promotion of the heritage.

"Co-locating with GHM would not only provide access to bigger premises for the college but provide opportunities for collaboration on education projects, seminars and lectures with GHM as well as other local partners...I foresee potential for pooling of resources for the benefit of the wider local community...as well as creating an enhanced contribution to the tourism related economy." Lydia Rohmer, Chief Executive, West Highland College

Ongoing community involvement

The AAOR project has been developed by the community, it will be managed by the community, and it will operate for the benefit of the community.

GDHC originally estimated the additional volunteer input to the AAOR project to be equivalent to 0.75 ftes during the development phase (greatly exceeded in practice) and 1.3fetes during the delivery phase. This is in addition to the current level of volunteering at the museum, from 50 volunteers, which equates to 3 ftes annually.

Training

There will be a minimum of 38 training places provided over the three years of the project within the museum itself. Subsequent to the completion of the construction project, there would be a further 20 training places in further and higher education created within WHC as well as more than 200 in professional development and continuing education. If the Newton Room proposal goes ahead the training opportunities will be further increased.

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: 2015 | |
| 1.1 | Independent Museums core funding |
| 1.2 | Ward Discretionary Fund contribution towards Development Stage project costs of £78,000 |
| 1.3 | Contribution towards MGS Conference fees and travel |
| Year 2: 2016 | |
| 2.1 | High Life Highland: Independent Museums core funding |
| 2.2 | High Life Highland: contributions towards conference attendance and travel |
| Year 3: 2017 | |
| 3.1 | High Life Highland: Independent Museums core funding |
| 3.2 | Ward Discretionary Fund contribution towards fees of Project Manager and consultants in interim stage between development and delivery funding from HLF. |

b) How much funding do/did you receive?

| | |
|----------------|-----------|
| Year 1: | |
| 1.1 | £12006.00 |
| 1.2 | £ 5000.00 |
| 1.3 | £ 85.00 |
| Year 2: | |
| 2.1 | £11406.00 |
| 2.2 | £ 403.06 |
| Year 3: | |
| 3.1 | £ 8840.00 |
| 3.2 | £ 3000.00 |

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

| |
|------------------------|
| Year 1: None |
| Year 2: None |
| Year 3: None |