

Agenda Item	7.
Report No	SCC/08/20

THE HIGHLAND COUNCIL

Committee: Sutherland County Committee

Date: 9 July 2020

Report Title: Dornoch Common Good Fund – Applications requiring Sutherland County Committee Approval

Report By: Carron McDiarmid, ECO Communities and Place
Liz Denovan, ECO Resources and Finance

1. Purpose/Executive Summary

1.1 The purpose of this report is to outline two applications to Dornoch Common Good Fund

2. Recommendations

2.1 Sutherland County Committee is recommended to approve:

- i. £27,365 to Dornoch Heritage SCIO for the Historylinks Museum Extension project – Phase 2
- ii. £39,760 to Dornoch Area Community Interest Company for the Project Curlew Masterplan Phase 1 Car and Coach Park, subject to match funding being in place

3. Implications

3.1 Resource

- Each year Sutherland County Committee, following consultation with Dornoch Community Council, sets the Dornoch Common Good budget, including an allocation for grants and contributions for community projects. The 2020/21 budget for grants and contributions is set at £25,000 per year. This was a roll-forward of the 2019/20 budget as the budget was set during the Community Council elections when Dornoch Community Council was not operating.
- The long term understanding between the Council and Dornoch Community Council is that larger sums for significant projects should be considered outwith that budget if there is sufficient balance available.
- The balance of useable reserves in Dornoch Common Good Fund at end of March 2020 was £314,995. Members are asked to note that this is a preliminary figure as the accounts have not yet been finalised. However there has not been

any significant expenditure to date and the fund expects rental income of £45,600 in 20/21 plus the expected significant increase to the rent paid by Royal Dornoch Golf Club which is currently under negotiation.

3.2 Legal – none

3.3 Community (Equality, Poverty, Rural and Island) –
Dornoch Community Council has discussed both applications at CC meetings. On 15 April 2020 it agreed to support the Dornoch Heritage application and on 20 May 2020 it agreed to support the Project Curlew application.
There are no specific equality, poverty rural or island impacts associated with these grant applications at this stage.

3.4 Climate Change / Carbon Clever – none

3.5 Risk

Dornoch Heritage

The main risk relates to other funding. The funding applied for is to get the extension project “shovel ready” and all match funding for that phase is in place. However, the actual construction of the museum extension will require additional funding of approx. £250,000. Dornoch Heritage is already in discussion with several funders including SSE and Heritage Lottery Fund as major funders, and Museum Galleries Scotland and others for top-up funding in addition to local fundraising and members’ donations.

Project Curlew

There is risk associated with attracting match funding for the current phase. Any offer of grant from Dornoch Common Good Fund would be made subject to the other funding being in place. There is a potential risk associated with the business model proposed for phase 1 and the potential success for charging in that location given that the other car parks within the community are currently free. However, this is balanced against the wider potential benefits of the project.

Both Dornoch Heritage and DACIC have good track records of raising funds for projects and they present a credible case that they will succeed in sourcing additional funding.

3.6 Gaelic -none.

4. Historylinks Museum Extension project – Phase 2

4.1 Background

Dornoch Heritage SCIO and Historylinks Museum

Dornoch Heritage SCIO operates Historylinks Museum in Dornoch. The Museum which opened in 1999 and is built on a plot leased for 99 years from Dornoch Common Good Fund, is a popular visitor attraction, an accredited independent Museum (Museums Galleries Scotland) and a 5-star visitor attraction (Visit Scotland). The museum is popular with tourists - the number of visitors has risen from 3,507 in 2016 to 6,252 in 2018 and opening hours have been extended to accommodate this increase. The Museum’s earned income rose from £11,126 in 2016 to £22,558 in 2018 (of which £15,944 was from admissions). Historylinks also plays an important and active role within the local community, particularly in areas of education and heritage projects. It runs a number of public-facing activities including work with young people, schools and two local care homes.

The museum is now operating at capacity with regard to displaying items from its collection. Of the 11,826 objects currently in the museum's collection there are currently less than 1,000 on display and, whilst not everything is suitable for display, it is now difficult to display major new items or to host temporary exhibitions. In addition, there are other significant artefacts with strong local connections which Historylinks would like to host but, because of space constraints, is unable to do so. These include:

- The Spinningdale Burial Cist
- The Migdale Hoard
- The Charles 1st Charter creating the Royal Burgh of Dornoch:
- Royal Burgh of Dornoch Provost Chains and Robes of Office

Dornoch Heritage SCIO was awarded a Scottish Land Fund grant to complete Phase 1 of the project (feasibility and concept) in September 2019 which delivered a Feasibility Study, Business Plan, Planning Guidance and Project Cost Plan. Dornoch Heritage then applied to Highland Council to purchase the site from Dornoch Common Good. This would have been funded through a Stage 2 Scottish Land Fund bid, which would have also provided funding to get the project to a shovel-ready position and ready for the fundraising for the actual construction of the extension. Highland Council, while recognising and supporting the aims of the extension project, decided not to sell the land as it did not believe it was in the best interest of the Common Good Fund, given the long lease already in place.

4.2 Proposal

Dornoch Heritage SCIO is applying to Dornoch Common Good Fund for £27,365 for the Historylinks Museum Extension Project – Phase 2. This detailed design stage includes all planning & warrant fees, professional fees (architects, structural engineers and quantity surveyors) and associated unrecoverable VAT. This will bring the project to shovel ready state in preparation for the fundraising for the construction of the museum extension.

Phase 3, the actual construction of the museum extension, will require additional funding of approx. £250,000. Dornoch Heritage is already in discussion with several funders including SSE and Heritage Lottery Fund as major funders, and Museum Galleries Scotland and others for top-up funding in addition to local fundraising and members' donations.

4.3 Costs

The project costs are as follows:

Item	Amount (£)
Architects Fees *	£6,580
CDM Fees *	£1,300
Structural Engineers Fees *	£3,525
Building Services Eng Fees *	£4,000
Quantity Surveyor Fees *	£5,215
VAT (* items only)	£4,124
Planning Permission	£949
Building Warrant	£1,672
H/L Project Supervision (3 hr/w @ £20/h for 26 weeks)	£1,560
Contingency (10%)	£2,893
Total Project Cost	£31,818
Total Funding Request	£27,365

Three quotations have been obtained for the work associated with Phase 2. The above costings are for the most competitive tender.

The funding sources are as follows:

Funder	Amount	Status
Own funds	£2,893	Confirmed
Project management (in-kind)	£1,560	Confirmed
Dornoch Common Good Fund	£27,365	This application
Total	£31,818	

4.4 **Benefits and Impact**

A new extension of 108sq.m. will increase the floorspace of the museum by approximately 50%, enabling:

- An enhanced offering to the growing number of visitors to Dornoch whose numbers have grown year-on year since 2015.
- Creating additional space to host collections and artefacts of national importance.
- Provide a meeting space for events for its own members who currently use other local venues.
- Allow for the development of genealogy and ancestral tourism services.
- Enhance the existing shared retail space.

Furthermore, the financial sustainability of the Museum will be strengthened, with increased capacity to accommodate more visitors, expand displays, run events and start new service – there is clear potential for increasing earned income. Figures from the Business Plan suggest revenue of Yr. 1 of the new extension of £43,200 rising to £45,700 in Yr. 3

4.5 **Recommendation**

The museum is a significant attraction for Dornoch, but change is required to allow it to expand, make better use of its exhibits but also attract more people. Phase 2 of the project would allow the Dornoch Heritage to move forward and bring the project to shovel readiness. Whilst the success of the project in the longer term is dependent on the successful attraction of external funding, this next phase is necessary to move the project forward and therefore it is recommended to approve the funding application.

5. **Project Curlew Masterplan Phase 1 Car and Coach Park**

5.1 **Background**

DACIC

Dornoch Area Community Interest Company (DACIC) is a voluntary organisation formed in 2007 aiming to:

- Enhance Dornoch town centre while preserving its historic & cultural heritage
- Encourage development of new business employment opportunities
- Ensure a quality range of services continues to be available
- Manage community land and associated assets

Dornoch South

Dornoch South is the site of the former Dornoch Abattoir which closed in 2010 and was demolished in 2015/16. Since then, student accommodation has been built on part of

the site, but the remainder has lain derelict. In March 2020 DACIC was awarded £216,411 from the Scottish Land Fund (SLF) to buy the remaining site to develop “Project Curlew”. The site extends to about 33,950 sq. m. and is approximately 40 meters from the main town square. £65k of Vacant and Derelict Land Fund funding has been secured for ground investigation work, which has been commissioned. The purchase is subject to a satisfactory outcome of the ground investigation.

Project Curlew

Stage 1 funding from SLF enabled a detailed feasibility study and business plan to be prepared for Project Curlew. The project aims to regenerate the site and bring it back to sustainable use with year-round community, cultural, sporting and leisure facilities. The Project Curlew Masterplan aims to develop the whole Dornoch South site in Phases over time as funding becomes available to ensure sustainability:

- Phase 0: Purchase of land and remediation work to site (funded and underway)
- Phase 1: Car & Coach Park (this application with other applications submitted)
- Phase 2: Multi-Use Games Area and winter skating (applications being submitted)
- Phase 3: New community centre with 3-lane curling rink. In summer, the ice will be thawed creating a large arena for sports and cultural events and synthetic ice for ‘mini curling’
- Phase 4: Golf driving range on the low-lying southern end of the site.

5.2 Proposal

DACIC is requesting £39,760 from Dornoch Common Good Fund towards the Project Curlew Masterplan Phase 1 - Coach and Car Parking. The application is subject to match funding being secured. The project will create a car and coach park with access road covering about 2,500sq. m. of the Dornoch South site providing 40 car spaces and 6 coach spaces. DACIC will deliver the project by arranging the necessary ground investigation, completing the purchase of the Dornoch South site and obtaining planning permission and a building warrant. Tender documents will be prepared and issued on Public Contract Scotland, tenders evaluated, and contracts awarded. The DACIC Project Manager will work with the main contractor and the design team to deliver the project.

5.3 Costs

The project costs are as follows

Item	Amount (£)
Site Clearance	£5,000
Drainage and Service Ducts	£20,000
Earthworks	£50,000
Pavements	£60,000
Kerbs, Footpaths, and paved areas	£20,000
Traffic signs and Road Markings	£15,000
Landscape and Ecology	£5,000
Pay and Display Machines	£10,000
Accommodation works for statutory undertakings	£25,000
Design and Site Supervision	£30,000
Legal and Planning	£2,000
Preliminaries	£30,000
Contingency (10%)	£27,200
Total Project Cost Phase 1	£ 299,200
Total Funding Request	£39,760

The project will be funded by the following:

Source	Amount	Status
Rural Tourism Infrastructure Fund	£209,440	Applied for
SSE Beatrice Partnership Fund	£50,000	Applied for
Dornoch Common Good Fund	£39,760	This application
Total	£299,200	

DACIC is awaiting the outcome of the funding applications to RTIF and SSE. Funding decisions have been delayed by the COVID 19 Pandemic but are expected during summer 2020. In the longer term DACIC has used the Council's costings (from recent Car Parking charges consultation) to prepare its own business case. Income generated from the car and coach park will cover the costs of operation, including a part time position of Town Officer.

5.4 Benefits and Impact

This project will provide the following outcomes/changes in the community:

- 40 car parking spaces and 6 dedicated coach spaces.
- Remove congestion from Dornoch generally and from the Square specifically so Dornoch becomes safer for traffic and pedestrians enhancing the visitor experience.
- Develop approx. 2,500 sqm. of the Dornoch South site giving a visible indication of the longer term aspirations of DACIC for the whole site.
- Relieve the 'pressure point' in the town square enabling longer visitor stays and increased visitor spend.
- Create a part time job of Town Officer to manage the car park

Contracting jobs will be created/sustained during construction of the car park Providing new off-road coach parking and increasing the car parking infrastructure in Dornoch will contribute directly and indirectly to the local economy as this is the first step in the important redevelopment of a central vacant brownfield site, that is currently an eyesore in the town

5.5 Recommendation

This is the first stage of a much wider project. The aims of the project both in the short and long term are to be welcomed as they aim to regenerate a piece of currently underutilised land. This first phase is a first step in utilising the land, reducing congestion and improving car parking facilities within the town centre. There is a potential risk associated with the business model proposed for phase 1 and the potential success for charging in that location given that the other car parks within the community are currently free (subject to the conclusion of the car parking review). However, this is balanced against the wider potential benefits of the project. The application is therefore recommended for approval subject to the other funding bids being successful.

Designation: ECO Communities and Place
ECO Resources and Finance

Date: 9 June 2020
Author: Phil Tomalin Ward Manager Sutherland