



1.4 To aid Members in their decision making, the following appendices are provided to this report:-

- **Appendix 1** – Project application form
- **Appendix 1** – Technical assessment and RAG status

Technical assessment and the RAG status are based on the application form and supplementary information provided during the application process.

## 2 Recommendations

2.1 Members are asked to consider all applications presented for funding and agree whether to approve, defer or reject the application. An approval of funding should detail the amount approved and outline any conditions of funding that Members wish to attach to the approval over and above the required technical conditions. A deferral would allow an applicant to resubmit the current application at a future date with updated information. A rejection would mean that the application will not proceed and any future application to the fund should be brought forward initially as a new expression of interest.

## 3 Implications

3.1 **Resource** – Wester Ross, Strathpeffer and Lochalsh has available funding of £298,663.42. There are therefore no resource implications should Members wish to approve all applications.

3.2 **Legal/Risk** – When managing external funding it is imperative that the risks to The Highland Council are assessed/mitigated and any back-to-back grant award letters with third parties, and financial claims management protect The Highland Council financial and reputational interests.

3.3 **Community (Equality, Poverty and Rural)** – Coastal communities funding is available to all Area Committees within Highland with a coastline. The focus of the funding is economic recovery and community resilience. Consideration on issues relating to equalities, poverty and rural issues are dealt with on an individual basis for applications and covered in the technical assessments of project

3.4 **Climate Change/Carbon Clever** – Mitigation of the climate/ecological emergency is a specific aim of the HCCF funding. All applicants are required to evidence environmental sustainability as referenced in the technical assessments

3.5 **Risk** – When managing external funding it is imperative that the risks to The Highland Council are assessed/mitigated and any back-to-back grant award letters with third parties, and financial claims management protect The Highland Council financial and reputational interests.

3.6 **Gaelic** – Consideration given within individual project applications in line with HC policy.

Designation: Executive Chief Officer Infrastructure, Environment and Economy  
Date: 24 February 2022  
Author: Fiona Cameron, Programme Manager

Appendices: Appendix 1 – Project application form  
Appendix 2 – Technical assessment and RAG status

## Highland Coastal Communities Fund Application Form

Please refer to the **Guidance Notes** to complete the application form.  
 Supporting documentation must be submit with the application (see section 8.2).  
 Projects must not start or commit expenditure before receiving and accepting the offer of grant letter if awarded funding.

### **SECTION 1: PROJECT SUMMARY**

<b>1.1 Project reference number</b>	222	
<b>1.2 Organisation</b>	Ullapool Harbour Trust	
<b>1.3 Project title</b>	Inner Harbour improvements and pontoon installation	
<b>1.4 Project costs</b>	<b>Total cost of project</b>	£4,372,076.50
	<b>Match funding</b>	£4,292,076.50
	<b>Grant requested</b>	£80,000.00
<b>1.5 Start date</b>	August 2022	
<b>1.6 End date</b>	March 2023	

**1.7 Which of the following programme themes will the project meet? Please choose ONE theme.**

<b>Economic Recovery</b>	Yes, plus community resilience and mitigation of climate emergency
<b>Community Resilience</b>	
<b>Mitigation of climate/ecological emergency</b>	
<b>Rural de population</b>	

**1.8 Privacy Notice**

Please confirm you have read and understood the Highland Coastal Communities Fund privacy notice: [www.bit.ly/HCCF-Privacy-Notice](http://www.bit.ly/HCCF-Privacy-Notice)

**YES** / NO

**SECTION 2: CONTACT DETAILS**

2.1 Main contact name	Kevin Peach
Contact number	[REDACTED]
Alternative contact number	[REDACTED]
2.2 Position	CEO/Harbourmaster
2.3 Address	Harbour Office Ullapool Ross-shire
Postcode	IV26 2UH
2.4 Email address	[REDACTED]
2.5 Website address	www.ullapool-harbour.co.uk

**SECTION 3: ORGANISATION DETAILS**

3.1 Organisation type	Please indicate (x)	Organisation number
Company limited by guarantee		
Constituted group		
Public body		
Private (i.e. business)		
Charity		
SCIO		
Other (please specify)	Harbour Trust	

3.2 Are you applying on behalf of a partnership and is your organisation the lead applicant? <i>Please provide partnership agreement with the application.</i>	<b>YES</b> / <b>NO</b>
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3.3 Is the organisation VAT registered?  By ticking this, you are declaring the organisation VAT status as per HMRC. If this changes at any time during the project, you <u>must</u> notify the HCCF Team as this may affect the offer of grant.	<b>YES</b> / <b>NO</b>
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3.4 If the organisation is VAT registered, please quote number.	267004376		
3.5 Is the VAT related to the project being reclaimed from HMRC? <i>Provide relevant details i.e. details of exemptions.</i>	Whole yes	Partial	None

Details:

### 3.6 Project delivery team

Name	Job title/area of work
Kevin Peach	CEO/Harbourmaster
Wallace Stone	Marine Engineering Consultants

## SECTION 4: PROJECT DETAILS

Please refer to the **Guidance Notes** to complete this section. It provides important information, definitions, and examples to ensure you answer each section correctly.

### 4.1 Project location - must be within 5km of the coastline? Please include postcode.

Ullapool Harbour

### 4.2 Do you own the land/building or have a lease agreement in place? Please provide evidence of ownership/lease with the application. If not in place, what are the arrangements to obtain this and by when?

Yes

### 4.3 The Project

**(a) Please summarise the project, explaining how it will achieve the funds' themes as noted in 1.7, and list which outcomes it hopes to achieve.**

The project will deliver a fully accessible new Shore Quay area for local business support and development, dredge the Inner Harbour to allow greater vessel access, provide 50 accessible pontoon berths for the local leisure sector, tourism vessels, fishing boats, visiting yachts and motorboats.

**(b) How will the project benefit coastal communities or the coastal/marine economy?**

New facilities for local and visiting boat owners, increased income for the harbour plus job creation opportunities and expansion of existing business offers.

**(c) What need or opportunity will the project address? How do you know there is local support for the project? Please provide evidence of community support with the application i.e. letters of support/consultation reports.**

Three online public consultations held to showcase the project and offer the community the opportunity to participate in the design and aesthetic appearance of Shore Quay.

**(d) List the main activities to deliver the project including timescales – this will be the project delivery plan.**

Activity name	Achieve by (date)
Inner Harbour dredging	Oct-Nov 2022
Sheet piling	Nov 2022
Tubular pontoon piling	Nov 2022
Shore Quay construction	Dec 2022
Breakwater installation	Jan 2023
Pontoon installation	Feb 2023

**(e) In developing the project, please detail how you have considered the following:**

**Environmental impact** – describe how you intend to mitigate negative environmental impacts that may arise in delivering the project. It may also be that the project specifically seeks to address climate change issues or implement net zero ambitions/solutions.

New harbour will enhance the village flood defences and over topping from sea level rise.  
 Shore Quay will widen the main road improving connectivity and reducing standing traffic.  
 70% of the dredge materials will be stored on land for future construction developments  
 Natural materials stone and slate used instead of concrete to reduce carbon footprint.

**Equalities impact** – explain how you have taken groups with protected characteristics into account in the development/delivery of the project. How will you ensure that no one is excluded or disadvantaged from benefitting from the project? Will the project target specific groups for example?

Harbour access for those with impairment has always been challenging, the new fully accessible facilities will cater for all.

**(f) How will the project be supported after HCCF funding and what will be the lasting benefits/legacy?**

Ullapool Harbour Trust will as operators maintain, enhance, improve, repair and grow facilities in line with our existing protocols and to match the aspirations of the business and the community.

**(g) Please outline how the project fits with other relevant local plans and strategies.**

The project will evolve in tandem with a joint development to widen Shore Street and build a seafront promenade. This project has been brought forward by Lochbroom Community Council Promenade subgroup, Transport Scotland Roads and Ullapool Harbour Trust. The aim is to improve, safety, connectivity and amenity for all abilities.



## **SECTION 6 – MATCH FUNDING**

<b>6.1 Please give details of confirmed or pending match funding:</b> <i>If match funding is confirmed, please provide letters of awards with the application.</i>			
<b>Name of funder</b>	<b>Applied YES / NO</b> <i>(include date)</i>	<b>Granted YES / NO</b> <i>(include date)</i>	<b>Amount £</b>
HIE(25%)	£1,093,019.10	yes	£1,093,019.10
Ullapool Harbour Trust (reserves)	£1,499,057.40	yes	£1,499,057.40
Levelling up Fund (summer 2022)	£1,500,000.00	No	£1,500,000.00
Hitrans/Sustrans	£ 200,000.00	No	£ 200,000.00
UHT bank loan form RBS as required	£2,000,000.00	In principle	
<b>Total match funding</b>			<b>£4,292,076.50</b>
<b>HCCF requested</b>			<b>£ 80,000.00</b>
<b>Total project cost</b>			<b>£4,372,076.50</b>

<b>6.2 Will the project involve “in kind” support?</b> <i>This should <u>not</u> form part of the overall budget or counted as confirmed match funding for the project.</i>
<p><b>YES / NO</b></p> <p><b>Please detail:</b> Lochbroom Community Council partners in the development purposed with engaging in community design and art features.</p>
<b>6.3 Please explain why public funding is required to deliver the project. Will the project happen without funding support?</b>
<p><b><u>The project will proceed but on a reduced basis with opportunities lost to deliver to our fullest aspirations.</u></b></p>



**SECTION 7 – BUSINESS AND REVENUE GENERATION PROJECTS**

To be completed by **business and revenue generation projects ONLY**. If the project does not generate revenue, please go to SECTION 8.

Please submit a business plan with the application.

**7.1 Will the project generate revenue?** Please provide a copy of the budget forecast with the application.

**YES / NO**

If yes, how will the revenue benefit the organisation? Will it be re-invested to help with the long-term sustainability – if so, how?

The project will deliver increased harbour dues across all leisure sectors with profits reinvested year on year to maintain and improve our offer.

**7.2 How will you ensure that local organisations/businesses are not disadvantaged as a result of the project?**

UHT has no retail offers and therefore does not impact on other organisations/businesses

**7.3 Have you considered taking out a loan for the project?**

**YES / NO**

Please state your reasons:

UHT has agreed an in principle loan of up to £3M from RBS as a safeguard against funding shortfalls.

**7.4 Have you had support from other organisations in developing the project?**

For example:	Details
Business Gateway	
HIE	yes
Other	Highland Council, Transport Scotland, Crown Estate, Lochbroom Community Council

**7.5 Have you previously received public funds for the business/organisation?**

**YES / NO**

If yes, please provide details of awards for the last 3 fiscal years:


Funding	Year of award	Amount £
Scottish Government Ferries	2020	£385,612.13
HIE	2020	£ 17,977.00
MFF	2021	£ 12,453.09

Scottish Government Ferries Accessibility	2022	£ 4,000.00
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**SECTION 8 – SIGNATURE**

*I declare that the information contained in this application is correct to the best of my knowledge. I have read the guidance notes and understand and accept the terms and conditions noted within them.*

*The data you have provided in the application (and claim) forms are subject to the provisions of the Freedom of Information (Scotland) Act 2002, the Data Protection Act 1998 and the Environmental Information (Scotland) Regulations 2004.*

8.1	Main applicant, chairperson or equivalent – the person signing this application has the authority	
		Print: Kevin Peach
		Date 17/2/22

8.2 Supporting documents checklist.		YES / NO or Not applicable
<i>You <b>must</b> enclose the following documents (where applicable) with the application. If they are not available, please state why.</i>		
1	Constitution or articles and memorandum	yes
2	Committee Members or Directors List	yes
3	Permissions – i.e. planning, building warrants, marine licences	yes
4	Policies – i.e. child protection, health and safety, equal opportunities	yes
5	Confirmation of match funding letters	yes
6	Bank statement – latest statement * please provide a statement below declaring what the remaining bank balances are for.	yes
7	Annual financial accounts – latest available	yes
8	Evidence of need and demand i.e. letters of support, community consultation reports, photos	yes
9	Business plan (revenue generation projects only)	yes
10	Relevant insurance policies	yes
11	Job descriptions (HCCF funded posts only)	no
12	Evidence of control/ownership of asset – i.e. lease, title deeds	yes
13	Partnership agreement	no
Reason for missing documentation:		
5. HIE confirmed funding verbally, approval letter to follow in late February 9. Transformation Summary document covers all needs/solutions of the two projects 9. Social impact study included 9. Strategic Outline Business Case attached with <b>draft costs</b> rather than confirmed figures 13. No requirement for a partnership agreement		
Declaration what the remaining bank balances are for:		
UHT retains a working reserve of no less than £2M as a contingency against critical failure of harbour infrastructure.		

## Highland Coastal Communities Fund - Application technical assessment

<b>Project Ref:</b>	222	<b>Applicant Organisation</b>	Ullapool Harbour Trust	<b>Area Committee</b>	WRSL
<b>Organisation Type:</b>	Harbour Trust	<b>Project Title:</b>	Inner Harbour Improvements and Pontoon Installation	<b>Committee meeting date</b>	7/3/2022

Project Summary				Programme theme (delete as appropriate)
Total project costs	<b>£4,372,076.50</b>	Estimated start date	August 2022	Economic Recovery
Total HCCF funding sought	<b>£80,000.00</b>	Estimated completion date	March 2023	
HCCF intervention rate	<b>1.8%</b>			

Assessment Criteria Application has demonstrated:	RAG Status	Comments
<b>Project Robustness</b>	A	Application does not provide detail on the delivery of the project however supporting documents including the Strategic Outline Case considers this. UHT have a track record of successfully delivering over £30 million worth of developments around the harbour area. Planning permission and marine licence have been granted for the works. UHT received ownership of the foreshore area in March 2021. Project still requires a significant amount of match funding to be confirmed totalling £1.7 million however contingency plans are in place should this not be secured. The Shore Quay construction and the pontoons development have been tendered on Public Contract Scotland. The contract for the pontoons has already been awarded therefore in terms of the overall eligibility of the project, should Members wish to approve it there may be a need to request sign off from internal audit that this is acceptable, or to pull out elements of the project that have not yet started.
<b>Engagement &amp; Support</b>	G	Application states that UHT co-ordinated 3 public consultations (held over Zoom) to showcase the project and allow the community the opportunity to participate in the design and aesthetic appearance of the Shore Quay development. These sessions were attended by 131 participants and received 288 feedback comments. A survey monkey was also available for those not able to make the sessions which received 91 responses. (Consultation responses have been provided as a supporting document to the application)
<b>Meeting a Need of Demand/Market Demand</b>	G	Ullapool harbour has little provision for small boat owners and is one of the few harbours on the West coast that does not have dedicated pontoon berthing or amenities such as power supply, shower or laundry facilities for visiting vessels. Issues of the existing road layout are clear and have been on-going for a number of years (Key issues summary provided). A Social Impact Study was completed in May 2021 commissioned by HIE on behalf of UHT (copy provided) which provides detail to the current issues and challenges faced, and anticipated impact of project to the local community, business, visitors

		and environment. Strategic Outline Case (February 2021) has been provided outlining strategic, financial, commercial case for the development
<b>Legacy &amp; Exit Strategy</b>	G	The proposed project will be transformational to the village of Ullapool and will deliver significant of long term economical and social benefits which are made clear within the applications supporting documentation. Application states that 'UHT have a commitment to maintain, enhance, improve, repair and grow facilities in line with existing protocols'
<b>Consideration of equalities issues/impacts</b>	G	Question not fully addressed within application however applicant has stated that the development will deliver 'fully accessible facilities that will cater for all'. Follow up statement from applicant confirms that all development works will be delivered in line with current accessibility regulations and promote accessibility for all
<b>Environmental sustainability</b>	G	Application states that the project incorporates several initiatives including enhancing flood defences, widening the main road to reduce traffic congestion, also 70% of dredge materials will be stored on land for future construction developments. However, there is no detail provided on the level of environmental benefit within the application. The Social Impact Study provided considers environmental impact briefly and a follow up statement from project engineers Wallace Stone confirms and details the positive environmental initiatives to be delivered by the project
<b>Value for Money</b>	G	The proposed developments will be transformational to the village of Ullapool and will benefit boat owners, create opportunities for new business, improve the transfer of cruise ship passengers and generally improve the aesthetic of the village frontage. Project has been tendered through the Public Contracts Scotland portal. Submitted tenders were marked on a 60:40 quality/price rational reviewed by Wallace Stone (civil engineers) and UHT
<b>Match funding</b>	R	HIE and UHT match funding is confirmed however a significant amount of match funding depends on the outcome of applications to the Levelling Up Fund and Sustrans/Hitrans. At this stage applications have not yet been submitted to either funders and it is uncertain when these funds will be open and outcome of match funding to be known, however the applicant suggests it would likely be Summer 2022.
<b>Meets Local Priorities</b>	G	Project planning has been in conjunction with Lochbroom Community Council. Project aligns with priority of community led capital infrastructure projects and/or projects which alleviate tourist pressures
<b>Additionality</b> HCCF funding is required to: <ul style="list-style-type: none"> <li>• Allow the project to proceed</li> <li>• Increase the scope of quality of the project</li> <li>• Accelerate the implementation of the project</li> </ul>	R	Question not addressed fully within the application. Follow up response from the applicant is provided below-  "If any or all of the funding bids are unsuccessful the knock-on effect will be increased borrowing for UHT which will stymie development in the coming years"  Additionality has been scored red due to the fact that the project will be able to proceed without securing HCCF funding; however, this will result in increased borrowing and financial charges as a result of this, which is a relevant consideration that Members may wish to take into account.

Application Technical Check	Yes / No N/A	Comments
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<b>1</b>	<b>Project summary</b>		
A	Is HCCF grant requested within the area thresholds?	Y	
B	Has the Privacy Notice been acknowledged?	Y	
C	Are project timescales within HCCF programme timescales?	Y	
<b>2</b>	<b>Contact details</b>		
A	Is the organisation's details on OSCR or Company's House as per registered number?	N	Not required as organisation is harbour trust
B	Does the organisation address match the bank statement?	Y	
<b>3</b>	<b>Organisation details</b>		
A	Is project activity being proposed by a public sector statutory duty?	N	
B	Is the project being proposed by a private business?	N/A	
C	Is it a partnership project and is there a partnership agreement in place?	N/A	
	Is the HCCF applicant the lead organisation?		
D	Is applicant organisation VAT registered?  If yes, has number been provided?  Is the VAT being reclaimed from HMRC?  <i>(Note: question about whether VAT is included/excluded in the project costs in section 5 below)</i>	Y	Applicant is VAT registered. VAT number provided
<b>4</b>	<b>Project details</b>		
A	Is the proposed activity/project within 5km of coastline?  If not, has the applicant provided a justification of project benefit to coastal communities?	Y	Project will take place at Ullapool harbour area
B	Does the applicant own or lease the land or building?  If not, has the ownership transfer/lease agreement been applied for/pending? When will this be in place?	Y	UHT received ownership of the foreshore area in March 2021 – Letter provided
C	Is the project activity plan achievable within the timeframe?  Are there any notable potential delays?	Y	Project will only be achievable within timeframe if complete match funding package is confirmed in Summer. There is currently a significant match funding gap however contingency options have been identified
D	Does the project have to comply with any Statutory Regulatory	Y	Planning permission and marine licence have been granted. Copies provided

	Requirements? i.e. planning, building warrants, SEPA consents, marine licences?  Are these in place, pending decision, or not applied for?  If pending or not applied for, when are they likely to be in place?		
<b>5</b>	<b>Budget</b>		
A	Have project costs been sufficiently broken down and itemised?	Y	
B	Are project costs eligible/essential?	?	Confirmation from internal audit that the full project is eligible for support or a revised eligible project budget to be agreed
C	Have the recommended HCCF procurement requirements been met, where required?  If not, are steps taken to obtain project costs reasonable?	N	Evidence to be provided that HCCF procurement has been satisfied as a grant condition
D	Has VAT been removed or included in the project costs? As per section 2 above?	Y	Applicant is VAT registered. Project costs are shown excluding VAT
<b>6</b>	<b>Match funding</b>		
A	Is match funding confirmed?  If not confirmed, has it been applied for or pending decision?	N	£1,700,000 match funding still be to confirmed as below:  £1,500,000 Levelling Up Fund – Not yet applied, outcome deadline unknown but expected Summer 2022 £200,000 Hitrans/Sustrans – Not yet applied, outcome deadline unknown
B	Will there be in-kind support?  How does this add value to the project?	Y	Lochbroom Community Council were partners at the developments proposal stage and supported community engagement including community design and art features
C	Has any work already started/costs been incurred prior to the application?	N	
<b>7</b>	<b>Business and revenue generation projects ONLY</b>		
A	Will the project generate revenue?	Y	The project will deliver increased harbour dues with profits reinvested into other developments around Ullapool harbour
B	Has a business plan and budget forecast been provided?	Y	Strategic Outline Case has been provided

C	Has loan finance been considered? Yes or no answer, has explanation been provided?	Y	UHT have stated they would contribute £2 million loan funding as part of the match funding package however UHT has agreed in principle a loan of up to £3 million as a safeguard against funding shortfalls.
D	Has the applicant received previous funding from public sources in the last three fiscal years?	Y	Scottish Government Ferries - £385,612.13 HIE - £17,977.00 MFF - £12,453.09 Scottish Government Ferries Accessibility - £4,000.00
<b>8</b>	<b>Signature</b>		
A	Is the application form signed and dated by chairperson or equivalent (authorised signatory)?	Y	Application signed by harbour trust manager
<b>Document checklist:</b>		<b>Yes/No N/A</b>	<b>Comments</b>
	Expression of Interest	N	Applicant welcomed to full application
	Constitution or articles and memorandum	Y	Constitution Order provided
	Committee members or directors' list	Y	Trustee list provided
	Permissions – such as planning, building warrant, SEPA	Y	Copy of Marine Licence provided covering foreshore construction works and pontoon installation. Copy of planning permission provided
	Policies – such as equal opportunity, environmental, child protection (if working with young or vulnerable people)	Y	Child Protection Policy, Equality, Diversity and Inclusion Policy, Safety Management System (Health & Safety Policy)
	Confirmation/evidence of match funding	N	Letter from RBS in principle approval – not confirmation. Confirmation of HIE match funding provided
	Most recent bank statement provided Statement demonstrating why public funding is required Statement declaring what the remaining bank balances are for	Y	February bank statement provided
	Latest annual accounts	Y	2020/2021 Annual Accounts provided
	Research/evidence of need and demand i.e. letters of support, consultation reports, photos	Y	PAC feedback comments. Social Impact Report (2021)
	Business plan (revenue generation projects only)	Y	Strategic Outline Case provided
	Relevant insurance policy	Y	Evidence of public/employers/product insurance policy provided
	Job descriptions for any post which funding is sought towards	N/A	
	Evidence of control/ownership of asset – i.e. lease, title deeds	Y	Confirmation letter provided
	Partnership agreement	N/A	

Recommended grant conditions	
Pre- approval conditions	
Pre - start conditions	<ul style="list-style-type: none"> <li>• Confirmation from internal audit that the full project is eligible for support or a revised eligible project budget to be agreed</li> <li>• Copy of signed contracts between UHT and preferred contractors</li> <li>• Evidence of match funding to be provided</li> <li>• Prior to incurring any expenditure the Grantee must undertake a post offer meeting ("<b>Post Offer Meeting</b>") with a member of the Highland Coastal Communities team.</li> <li>• All items should be purchased in line with the HCCF best practice procurement guidance unless otherwise agreed in writing with the Highland Coastal Communities Team</li> </ul>
Specific conditions	

<b><i>I confirm that I have completed the technical assessment for this project as set out above.</i></b>	<b>Name:</b>	<b>Sarah Lamb</b>
	<b>Date:</b>	<b>25/2/22</b>

<b>Committee Meeting Outcome</b>	<b>Decision</b>	<b>Approved / Deferred / Rejected</b>
	<b>Grant amount</b>	<b>£</b>



	<b>awarded</b>	
	<b>Date:</b>	