

Agenda Item	8.
Report No	SCC/10/23

HIGHLAND COUNCIL

Committee: Sutherland County Committee

Date: 16th May 2023

Report Title: Community Regeneration Fund – Assessment of Applications

Report By: Executive Chief Officer Infrastructure, Environment & Economy

1. Purpose/Executive Summary

1.1 Community Regeneration Funding (CRF) is an umbrella term for a number of funds that are available for communities/organisations to access in Highland. It comprises the Highland Coastal Communities Fund and the Place Based Investment Programme, both of which are Scottish Government Funding streams to support economic regeneration and sustainable development in Highland. Area committees are awarded devolved allocations according to approved formulae and decision making on which projects should receive funding sits with Elected Members.

Within Sutherland, the 2022/23 CRF allocations available for distribution were:
Highland Coastal Communities Fund (capital/revenue) - £683,408.23
Place Based Investment Programme (capital) - £85,200
Total funds available - £768,608.23

1.2 Broad eligibility criteria for the scheme is as follows:

All projects are expected to be able to meet at least one of the following priorities:

- Economic recovery
- Community resilience
- Mitigating the impact of the climate/ecological emergency
- Addressing the challenges of rural depopulation.

Projects should be able to demonstrate that they are:

- Sustainable/viable
- Providing value for money
- Providing additionality
- Able to evidence local support/local benefit
- Able to evidence positive impacts for coastal communities and/or the coastal economy

1.4 At the Sutherland County Committee meeting on 24th January, 17 applications with a total value of £698,612.58 were approved funding from the 2022/23 CRF allocation leaving a balance of £69,995.65 of unallocated funds.

Since the last committee meeting, £81,678 has become available from Sutherland's share of the 2021/22 Highland Coastal Communities Fund (HCCF) allocation as two previously approved projects are unable to progress.

The Dornoch Historylinks Museum submitted an EOI in 2022 that was deferred to allow further progress on securing match funding. Members have now invited this project to come forward as a full application for consideration.

Additionally, Members have indicated their desire to explore the potential for a county-wide transport project in Sutherland, given that this is a recognised issue that affect the whole area. A consultation is underway involving all 17 community councils, development trusts, community transport groups and commercial operators. Multiple surveys in the past have highlighted that transport is a problem for many communities and can affect access to healthcare, after school activities, employment and more. Members have therefore indicated their preference to ringfence any balance of funding available from the 2021/22 HCCF and 2022/23 CRF allocations to progress this work once the results of the consultation are available. This is covered in the recommendations below.

In summary, the position in Sutherland County at Committee on 16th May is as follows:

Available funding from 2022/23 CRF allocation - £69,995.65
Available funding from 2021/22 HCCF allocation - £81,678
Total available funding - £151,673.65

Number of applications for consideration – 1
Total value of grant requested - £50,000

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

- Appendix 1 - Application form
- Appendix 2 - Summary RAG status from the technical assessment

Technical assessments 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:

- i. **Consider** the application presented for funding and agree whether to approve, defer or reject.

An approval of funding should detail the amount approved and outline any conditions that Members wish to include 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 or for the project to be approved subject to further funding becoming available.

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.

- ii. **Agree** if the application should receive a funding award from CRF
- iii. **Agree** to ringfence up to the balance of remaining funding (£101,673.65 if the Historylinks project is approved) for a transport project, which should be brought back as a full application to a future committee for consideration.

3. Implications

- 3.1 **Resource** – Sutherland currently has £151,673.65 of available funding. The application under consideration is requesting £50,000 with the remaining balance to be ringfenced for the transport project. There are no resource implications.
- 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)** – Community Regeneration Funding is available to all Area Committees within Highland. 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 Community Regeneration Funding. All applicants are required to evidence environmental sustainability as referenced in the technical assessments.
- 3.6 **Risk** – As per 3.2 above.
- 3.6 **Gaelic** – Consideration given within individual project applications in line with Highland Council policy.

Designation: Executive Chief Officer – Infrastructure and Environment

Date: 3rd May 2023

Author: Paula Betts, Project Officer CRF,
Fiona Cameron, Programme Manager

Appendices:

Appendix 1 – Project application

Appendix 2 – RAG status summary sheet



Community Regeneration Funding (CRF) Application Form

Please refer to the **Guidance Notes** to complete the application form.
Supporting documentation must be submitted with the application (see section 8.2).
Projects must not incur expenditure until they have been advised in writing by the CRF Team.

SECTION 1: PROJECT SUMMARY

1.1 Project reference number	CRF1068 Dornoch Historylinks Museum		
1.2 Organisation	Dornoch Heritage SCIO		
1.3 Project title	Historylinks Extension Project – Phase 3 - Construction		
1.4 Project costs	Total cost of project	Phase 3	£559,831
		Phase 4	£ 81,100
		TOTAL	£640,931
	Match funding		£590,931
	Grant requested		£50,000
1.5 Start date	October 2023		
1.6 End date*	March 2024		

**Projects are expected to be completed and claimed fully by 31st March 2024*

1.7 Which of the following themes will the project meet? Please choose ONE theme.	
People	
Place	
Economy	√
Environment	

1.8 Privacy Notice	
Please confirm you have read and understood the Community Regeneration Funding privacy notice: Privacy Notice	
YES	

SECTION 2: CONTACT DETAILS

2.1 Main contact name	Lynne Mahoney
Contact number	
Alternative contact number	
2.2 Position	Curator
2.3 Address	Historylinks, The Meadows Dornoch
Postcode	IV25 3SF
2.4 Email address	curator@historylinks.org.uk
2.5 Website address	www.historylinks.org.uk

SECTION 3: ORGANISATION DETAILS

3.1 Organisation type	Please indicate (x)	Organisation number
Company limited by guarantee		
Constituted group		
Public body		
Charity		
SCIO	x	SC008747
Other (please specify)		

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>	NO
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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 CRF Team as this may affect the offer of grant.	NO
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3.4 If the organisation is VAT registered, please quote number.							
3.5 Is the VAT related to the project being reclaimed from HMRC? <i>Provide relevant details i.e. details of exemptions.</i>	<table border="1"> <thead> <tr> <th>Whole</th> <th>Partial</th> <th>None</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Whole	Partial	None			
Whole	Partial	None					

Details:

3.6 Project delivery team	
Name	Job title/area of work
Alison Davies	Trustee and Chair of Museum Committee
Jerry Bishop	Chair of SCIO and Chair of Construction sub group
Lynne Mahoney	Curator

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 - Please include postcode.
The Meadows, Dornoch, IV25 3SF
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?
The Freehold of the land on which the Museum and proposed Extension is situated is an asset of the Dornoch Common Good Fund. Historylinks has a lease from Highland Council, administrators of the Dornoch Common Good Fund, on a peppercorn rent until 2090.

4.3 The Project
<p>(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.</p> <p>Our project has been in the planning for some three years. Phase 1 was Feasibility and Business Planning, Phase 2 Design, Planning Permission and Building Warrant, and we are now getting ready to embark on Phase 3, Construction. Phase 4, for the Fit Out and proposed staff member will commence in 2024 although fund raising for this phase will be ongoing from now on.</p> <p>The building will be an extension in our grounds, physically linked to the existing Historylinks Museum building but having a separate entrance so that it can be used flexibly. We will have a range of exciting new exhibitions to attract more visitors. Our Business Plan sets out the increase in visitors to the museum which the Extension and its additional attractions will bring in. Importantly, we are addressing the fact that the existing museum building was designed without any social space where groups could meet. This factor has been a major drawback in our ability to attract more people from a wider range of backgrounds to come in and use the Museum for workshops, meetings etc. The extension will solve this problem by having a multi-purpose area for groups to meet.</p>
<p>(b) How will the project benefit local communities or the local economy?</p> <p>The better our Museum offering, the more people will be encouraged to visit and stay in Dornoch using the accommodation, leisure facilities, cafes, restaurants, pubs and shops and enjoying the natural environment.</p>

Historylinks is a Visit Scotland 5 * attraction, an Accredited Museum with Museums and Galleries Scotland and an 'iKnow' centre for Visit Scotland, providing visitors with information about the local area. These three designations attract visitors to Historylinks and Dornoch. Visitor spend in the town will increase as a result of the Museum being more attractive and research suggests Heritage tourists stay longer and so spend more on local shops, other attractions and accommodation. Here are the range of ways the Historylinks Extension can contribute to the local economy.

4. OUTCOMES FOR THE LOCAL ECONOMY

- **More visitors to the town**

Our Business Plan forecasts an additional 2000 visitors per annum to the Museum and to Dornoch through the exciting opportunities offered by the Extension.

- **Ancestral Tourism**

Both Scottish Government and Visit Scotland have identified the need to promote Ancestral Tourism, noting that such tourists stay longer, travel off-peak, travel widely and feel more connected to the community. Having a multipurpose space will allow us to develop this opportunity.

- **Traditional Crafts**

There is demand from visitors as well as local people to participate in authentic heritage experiences through traditional craft workshops. This demand is not currently being met locally and is something we could deliver and when appropriate, work in partnership with others.

- **A new post and volunteer training.** We plan to create a new position of Engagement Officer to develop the use of the new accommodation as a visitor and community resource. This post will also offer training to our volunteers giving them skills transferable to the workplace.

- **Cultural activities**

The extension would allow us to offer space to local workshop leaders, writers, artists, etc. which will benefit them in terms of their economic activity.

- **Hosting small groups of international tourists**

We have previously been in discussion with 'Ground Handling' companies who organise day tours for cruise liner passengers berthing at Invergordon. If we can succeed in bringing these people to Dornoch that will also benefit the local economy.

5. OUTCOMES FOR COMMUNITY WELLBEING

We are aware of the importance of wellbeing to the population of Sutherland (Sutherland Survey 2022). To plan and prepare for the Extension in operation, we have created an Activity Plan, in consultation with local groups, many of whom would otherwise be unable to access and enjoy the enriching experience of heritage. These are groups from the two elderly care homes, mental health groups, learning disability groups, local schools, art and photography clubs. With the new space in the Extension we will be able to make contact with groups not typically involved with heritage. Dementia groups and other organisations supporting people's mental health will benefit from meeting in an inclusive and safe space promoting a richer experience and feeling of wellbeing.

Specifically, from our consultation we have evidence that we can reach out to 12 groups with. We consulted a wide range of individuals and used data from our user feedback and from an online survey. All people in the community will be able to benefit from the opportunities to interact with heritage, strengthening people's sense of community identity, self worth, well being and a feeling of belonging to the community of Dornoch.

(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.*

The opportunity the project will address is to encourage more visitors to Dornoch, thereby benefiting the local economy. It will also contribute to the financial sustainability of Historylinks

by bringing in increased footfall and income. The benefits for community well-being are explained in 5.0 above.

Before we began fundraising for the extension and commissioning an architect to design the building, we had an Open weekend to consult the community and our membership on building an extension to the museum. We received overwhelming support and went ahead with our planning accordingly.

As noted in 5.0 above, in Autumn 2022 we consulted a wide range of local groups and schools in order to create the Activity Plan for the use of the new community space in the extension. We have received 20 letters of support including from our MSP and MP. (See attached) Based on this endorsement we will be renaming the extension, Historylinks Heritage Hub.

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

Activity name	Achieve by (date)
Going out to tender	June 2023
Accepting tender	August 2023
Contractor starts on site	October 2023
Building completion/hand over	March 2024
Continued fund raising campaign for fit out costs etc	February 2024
Fit out and new exhibitions in place	July 2024
Official opening of Heritage Hub	August 2024
Group usage begins	September 2024

(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.

Heating

The heating will be by air source heat pump with associated energy saving benefits and reduced energy costs which will support the financial sustainability of Historylinks. We will apply for a grant/loan from Scottish Government/Energy Advice Scotland as we have recently done for the installation of an air source heat pump in the existing Museum building.

The positioning of the proposed extension in terms of orientation to the existing building and the placement of all new fenestration has been carefully considered during the design process to provide ‘controlled’ solar gain. This means that the requirement for heating or cooling/ventilation of the building can be minimised because the fabric of the building and in particular the placement of windows and roof lights should assist in passively maintaining a more constant temperature without the need for excess energy use. The solar control for the preservation of historical exhibits has also been a key consideration for this project.

Building insulation

The new floor, walls and roof have all been designed and specified so that their ‘U’ values (a measure of their thermal performance) exceed those required in the current Building Standards (Scotland) Regulations. This enhancement of the insulation ‘envelope’ will reduce energy usage and it follows the ‘fabric first’ methodology. This is further improved by the specification of high

performance windows and doors, which again will have 'U' values that exceed those required by Regulations.

Building Materials

Materials throughout the proposed extension have been selected to take account of their longevity and to ensure they will minimise the need for maintenance as far as is reasonably practicable. As far as possible natural materials such as timber and stone have been selected. The building form has been considered so as to minimise the need for a complicated and expensive structure. In turn this has influenced the volumes of the principal spaces, so that they are efficient and practically simple to heat and light.

Building Controls

The controls for both the heating and display lighting have been designed to maximise energy efficiency and allow for the performance of these systems to be monitored.

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?

Our aim is to include a larger number of people from a wider range of backgrounds. We estimate that annually, in the Heritage Hub, we will be able to host some 1000 new user sessions as indicated in our Activity Plan. We intend to recruit new volunteers from as diverse a range of backgrounds as possible to work in the museum and join our committees and Board, for example young people and/or people with disabilities or health related issues who will receive support as appropriate.

We have done extensive research in the community through surveys, questionnaires and personal visits to groups, targeting people who have not been involved in heritage projects previously, as well as those from a wider range of social backgrounds, recognising that heritage attractions tend to engage people from higher socio-economic backgrounds (Scottish Household Survey 2021). Despite increasing costs, we are holding our admission charges at pre Covid levels for the coming year in order to encourage access. We have listened carefully, considered the results of our research and tailored activities accordingly. Our proposals have been met with enthusiasm and we are encouraged that the Hub's programme will succeed in opening up opportunities for people from all backgrounds, including those with protected characteristics. The Hub will be fully accessible to those with mobility difficulties and people with hearing and visual impairment, and will provide a welcoming and safe space for all.

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

CRF funding will contribute very significantly to closing the gap on the construction costs of Phase 3. Once Phase 4 is complete, the lasting benefits will be the continuing operation of a bigger, more exciting museum, more able to sustain its operation from income generation, which also has the space and facilities to host a wide range of groups from the local community.

We estimate that the extension will increase our admissions from 4615 in 2021/2 to 7950 in 2024/5. We estimate that increased admissions and an increase in retail sales will cover the increased running costs, especially in the light of the reduced energy costs as described above.

As a small, independent museum, in order to develop our work and move forwards, we will always be in a position where we have to apply for external funding to continue our project work and special activities.

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

The project fits in with the Caithness and Sutherland Development Plan 2018 and the Caithness and Sutherland Town Centre Strategy 2020.

4.4 Does the project require planning permission or other statutory regulatory consents?	YES	
If YES, please detail below - provide evidence with the application if granted.		
Type	Applied – Yes/No (include date)	Granted – Yes/No (include date)
Planning Permission	Yes	Yes 14/4/2021 20/04491/FUL
Building Warrant	Yes	Yes 26/8/2021 21/01193/NDOM6

SECTION 5: BUDGET

This can be provided in a separate excel spreadsheet if preferred. Delete the example below before completing this section.

5.1 Main project expenditure – these should be as accurate and current as possible from recent quotations, price comparisons or advice from professionals.			
Budget Heading	Detailed costs	Revenue/Capital	Amount
Construction	From Torrance Cost Plan	Capital	509,831
Contingency		Capital	50,000
Phase 3 Total	Subject to tender pricing/acceptance	Capital	<u>559,831</u>
Phase 4		Revenue	19,000
Staff salary			
SCIO Governance review		Revenue	5,000
Evaluation		Revenue	3,000
Advertising staff post		Revenue	1,000
Materials, Travel, Volunteer training		Revenue	£4,800
Fit out costs		Capital	£48,000
Launch event		Revenue	£ 300

Foyle Foundation	Applying May 2023	No	10,000
Museums Galleries Scotland	Applying October 2023	No	60,000
Esmee Fairbairn Foundation	Applying October 2023	No	7,000
Total match funding			£590,931
CRF requested			£ 50,000
Total project cost			£640,931

6.2 Will the project involve “in kind” support?

This should not form part of the overall budget or counted as confirmed match funding for the project.

YES

We have appointed a Board/Museum Committee sub group to liaise with the architect/contractor on Phase 3 and work with the Curator in Phase 4, on the fit out and creation of new exhibits. Volunteers will work with the Curator and Museum Assistant to host the programme of groups outlined in the Activity Plan.

6.3 Please explain why public funding is required to deliver the project. Will the project happen without funding support?

We are at a crucial stage where public funding is needed to supplement the funding we have received from Trusts and our own funds, so that we can close the remaining gap to meet the target for Phase 3 - Construction. If we cannot move ahead as planned within the next few months, ie by going out to tender in May 2023, we will put at risk the two biggest grants we have secured from Trusts. This would mean the project would be very unlikely to go ahead due to loss of this significant funding.

SECTION 7 – REVENUE GENERATION PROJECTS

*To be completed by **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

We expect that The Heritage Hub will generate additional revenue with a slight surplus showing from 2024/5 onwards. The 3 year cash flow forecast is detailed in the Business Plan on P's 16 and 17.

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

We are careful to ensure that our small retail area does not compete with local shops. We offer specialist and heritage-specific books and craft work items which have a heritage 'pedigree'.

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

NO

Please state your reasons: Would not be possible or appropriate for a small charity.

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

For example:

Details

Scottish Land Fund

Feasibility Study and Business Plan

Project Cost Plan

Torrance Partnership

Building Design

Blueprint Architects Tain

Historical research

Dr Shirley Curtis, Bradford University

Inverness Museum and Art Gallery

Ongoing research support from Senior Lecturer UHI

7.5 Have you previously received public funds for the organisation?

YES

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

Funding	Year of award	Amount £
We receive a Highland Council Revenue grant annually	2022	6,272

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 within the organisation to apply for grant funding		
Signature:	Print:	Date
Alison Davies	Alison Davies	20/04/2023

8.2 Supporting documents checklist. <i>You must enclose the following documents (where applicable) with the application. If they are not available, please state why. Please refer to the guidance note on how to name/label the documentation.</i>		YES / NO or Not applicable
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 available * 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 (CRF funded posts only)	N/A
12	Evidence of control/ownership of asset – i.e. lease, title deeds	Yes
13	Partnership agreement	N/A
Reason for missing documentation: N/A		
Declaration what the remaining bank balances are for: We have designated reserves of £31,106 which are committed to the costs of the Extension. We have funds of £22,652 which have been raised by local people in Dornoch for the Extension. We have a cash balance of £10,177.30 at 31/3/23 which is for day to day operation of the Museum.		

Completed forms and supporting documentation should be emailed to the following email address quoting your unique project reference number:

