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| Agenda Item | 10. |
| Report No | SCC/12/23 |

THE HIGHLAND COUNCIL

Committee: Sutherland County Committee

Date: 16 May 2023

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

Report By: Executive Chief Officer, Communities and Place

1. Purpose/Executive Summary

1.1 The purpose of this report is to outline an application for £50,000 from Dornoch Heritage SCIO to Dornoch Common Good Fund.

2. Recommendation

2.1 Sutherland County Committee is recommended to approve:

- i. £50,000 to Dornoch Heritage SCIO for the Historylinks Museum Extension project (Phase 3), subject to match funding being in place.

3. Implications

3.1 Resources:

- 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 2023/24 budget for grants and contributions is set at £25,000 per year.
- The long term understanding between the Council and Dornoch Area Community Council is that larger sums for significant projects should be considered outwith that budget if there is sufficient balance available. On this basis, Sutherland County Committee agreed on 9 July 2020 to grant £27,365 to Dornoch Heritage SCIO for Phase 2 of the Museum Extension project.
- The balance of useable reserves in Dornoch Common Good Fund at end of March 2023 is estimated to be approx. £313,000 meaning that the proposed £50,000 grant is affordable. Members are asked to note that the CGF balance is a preliminary figure as the accounts have not yet been finalised.

- 3.2 Legal: none
- 3.3 Community (Equality, Poverty, Rural and Island): Dornoch Area Community Council expressed its support for this application at the Community Council meeting held on 19 April 2023.
- 3.4 Climate Change / Carbon Clever: none
- 3.5 Risk: The main risk relates to match funding. To date, £387,431 has been confirmed by funders, with a further £93,633 up for decision at this Committee, leaving a funding gap of £28,767. Dornoch Heritage SCIO is applying to other funders for the remainder of the funding and will use crowdfunding to fill any remaining funding gap. Dornoch Heritage SCIO has a good track record of raising funds for projects and presents a credible case for sourcing additional funding. The risk will be mitigated by only paying the Common Good grant (if approved) once all match funding has been secured.
- 3.6 Gaelic: none

4. Background

- 4.1 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 rose from 3,507 in 2016 to 6,252 in 2018 and numbers are now recovering following the pandemic, approaching 5000 in 2022. The Museum's earned income rose from £11,126 in 2016 to £22,487 in 2022. 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.
- 4.2 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 (as of Dec. 2018 – with approximately 500 new items donated each year) 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.
- 4.3 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. Phase 2 included planning permission, building warrant and a further full project costing which was financed by a combination of a previous grant of £27,365 from the Dornoch Common Good and utilising the Dornoch Heritage Society's own reserves. £7,000 of that grant was not drawn down and forms part of the current application for £50,000.

5 Proposal

- 5.1 Phase 3 of the project entails building an extension to the museum, to be known as The Historylinks Heritage Hub. This will create more exhibition space, a multi-purpose room to be used for new activities, additional office and storage space and new toilets. These new facilities will help generate more income, supporting a move towards greater financial sustainability and long-term resilience. The extension will provide approximately 60% more space at the museum to display items from the Historylinks collection, some of national significance, which cannot be displayed at present. The museum will also be able to host touring exhibitions, expand the retail area and so attract more visitors. The business plan outlines how having the extension will generate more revenue and anticipates an increase in visitor numbers from 4,615 in 2021/22 to 7,590 in 2024/25.
- 5.2 The museum store is presently at capacity and the project will provide more appropriate accommodation and facilities for the care and conservation of the Historylinks collection. The extension also includes a social/meeting space allowing the museum to host a wide range of community groups, some vulnerable, such as care home residents, groups with mental health issues, and children with learning disabilities. These groups will benefit from heritage-themed activities, tailored to their needs and having a positive effect on their wellbeing. The new space will also be used by the well-established Young Curators Club and for workshops on traditional crafts, local history, photography etc. The museum has consulted widely with local groups and created a full programme of activities, using the museum's experienced staff and extensive resources. The programme will be rolled out when the extension is completed. Part of the recent grant from the National Lottery Heritage Fund is for a full time Community Engagement Officer to implement the activity programme in Phase 4.

6 Costs and Funding

- 6.1 The cost of the Phase 3 to construct the museum extension is £509,831. To date the following funding has been secured / applied for.

| Funder | Amount |
|---|-----------------|
| Dornoch Heritage SCIO reserves – confirmed | £30,000 |
| Local Fund Raising – confirmed | £23,000 |
| Heritage Lottery Fund – confirmed | £249,431 |
| Garfield Weston Foundation – confirmed | £50,000 |
| HC POT 170 – confirmed | £25,000 |
| Hugh Fraser Foundation- confirmed | £10,000 |
| HC Community Regeneration Fund – see separate report | £43,633 |
| Dornoch CGF (inc. Phase 2 carry forward £7K) – this application | £50,000 |
| Total | £481,064 |
| Funding gap | £28,767 |
| Ph 3 costs | £509,831 |

- 6.2 Dornoch Heritage SCIO is applying to other funders for the remainder of the funding including AEH Salvesen Foundation and Baxter's Foundation and will use crowd funding to complete the funding package if required. Dornoch Heritage SCIO has a good track record of raising funds for projects and presents a credible case for sourcing additional funding. The grant offer from Dornoch Common Good Fund, if approved, will be subject to all match funding being secured.

7 Benefits and Impact

- 7.1 The new extension of 108sq.m. will increase the floorspace of the museum by approximately 60%, 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 services – there is clear potential for increasing earned income. Figures from the Business Plan suggest an increase in revenue from the current £40.6K (2022/23) to £60.4K in 2024/5 once the extension has been completed.

- 7.2 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 3 of the project allows the Dornoch Heritage to deliver this long-planned project.

Designation: Executive Chief Officer, Communities and Place

Date: 24 April 2023

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