

# The Highland Council

Agenda Item	4.
Report No	CC/06/24

**Committee:** Caithness Committee

**Date:** 20<sup>th</sup> May 2024

**Report Title:** North Coast Visitor Centre Update

**Report By:** Director of Culture and Learning, High Life Highland

## 1. Purpose/executive Summary

1.1. This report will present the following updates for members.

- I. NCVC background.
- II. Outline of NCVC business and operating model.
- III. Update on finance and performance.
- IV. Update on partnership and programming.
- V. Challenges.
- VI. Next steps.

## 2. Recommendations

2.1. Members are asked to:-

- I. Note the current position with regards to finance and performance.
- II. Note the progress that has been made in terms of partnership and programming.
- III. Note the challenges in terms of the current operating model.
- IV. Note that funding is in place as per the initial three-year agreement until November 2024.
- V. Note that discussions are underway between partners to consider options for the future of the facility.

## 3. Implications

3.1. **Resource** – ongoing funding for NCVC will be subject to review by THC and NRS Dounreay.

3.2. **Legal** – there are no new legal implications arising directly from the report.

3.3. **Community (Equality, Poverty, Rural and Island)** – the NCVC has become established as one of the leading visitor attractions in the north of Scotland that contributes to and helps support the wider tourism economy. As well as serving as a significant local heritage venue with an associated unique collection of resources and information for the county of Caithness it is an

important venue for cultural and social events for the local community and for visitors.

- 3.4. **Climate Change / Carbon Clever** – Although there are no new directly negative impacts in this report in terms of carbon clever, NCVC offers interpretation and events and activities that support environmental awareness and promotion of positive behaviour. NCVC hosts the Flow Country interpretation in addition to regular events hosted by The HLH Ranger service and partners.
- 3.5. **Risk** – The most significant risk is with regards to the future of the facility in the face of a challenging funding environment. All partners will work collaboratively to establish a sustainable and affordable way forward.
- 3.6. **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – there are no specific risks.
- 3.7. **Gaelic** – there are no new implications for Gaelic arising directly from this report.

#### 4. Background

- 4.1. The North Coast Visitor Centre (NCVC) is operated by High Life Highland (HLH) on behalf of The Highland Council (THC).
- 4.2. HLH is a charity registered in Scotland and a Company, Limited by Guarantee, wholly owned by THC. The Charity was established on 1 October 2011 to deliver Community Learning and Leisure Services on behalf of THC across the geographical boundary of THC's administrative area. The Charity has a Board of 12, made up of 8 independent members and 4 Highland Councillors.
- 4.3. The main business of HLH is the delivery of a Service Delivery Contract for THC across the charity's areas of work: Adult Learning, Archives, Arts & Museums, Countryside Rangers, Leisure Facilities, Libraries, Music Tuition, Sport and Outdoor Education, Youth Work.
- 4.4. HLH currently has a varied portfolio of facilities and services in Caithness drawn from all areas of work including the following: East Caithness Community Facility, the North Archive and front of house at Nucleus, The Seadrift Centre, Thurso Library and Gallery and Thurso Leisure Centre.
- 4.5. The North Coast Visitor Centre sits within the HLH Culture and Learning Directorate.
- 4.6. NCVC formerly operated as Caithness Horizons (CH), a Museum and Gallery on Thurso High Street since 2005, when the site was redeveloped by The Highland Council (THC) with the help of lottery funding of £1M.
- 4.7. Until 31<sup>st</sup> May 2019 the building was leased by THC to Caithness Horizons, a charity with a volunteer Board of Trustees and a trading company. In addition to revenue received through income generation CH received annual grant

funding of £75K from THC with matched funding of 75K from Dounreay Site Restoration Ltd (Now NRS Dounreay)

- 4.8. On 21st February 2019, The CH Board announced that they had taken the decision to close the facility and hand the building and collections back to THC. The lease terminated on 31<sup>st</sup> May 2019 with the building and contents, including museum collections being returned to THC.
- 4.9. After discussions with CH, NRS Dounreay and HLH, THC requested that HLH consider adopting operation of the CH facility on behalf of THC and at the Care, Learning and Housing (CLH) Committee on 29<sup>th</sup> May 2019 THC gave approval for capital works to be undertaken to facilitate a potential operational transfer to HLH. THC retained ownership and responsibility for maintenance of the property through adding it to the list of buildings already leased to HLH.
- 4.10. After discussions and approval by THC, NRS Dounreay and HLH Board agreed a funding model was agreed whereby THC and NRS Dounreay would contribute 75k of matched funding for a period of 3 years. It was agreed that the business model would be reviewed in the final year of operation by all partners and options for the future of the facility would be considered and a way forward agreed.
- 4.11. After completion of capital works including a refurbishment of the roof and heating system, a refresh of the spaces throughout and a full restoration of the collections and interpretation, the centre, rebranded as North Coast Visitor Centre opened its doors to the public in November 2022.
- 4.12. Funding is in place to continue service provision until November 2024 and discussions are now underway with stakeholders to discuss the future of the facility.

## **5. NCVC business and operating model**

- 5.1. It was agreed that HLH should initially operate NCVC on a similar model to, and with the same core opening hours as Inverness Museum and Gallery. This was subsequently reviewed, and the hours were adjusted to reflect local requirements.
- 5.2. NCVC employs 7 FTE staff in a variety of museum/customer service, business support and catering positions. The facility is managed by a member of the HLH Caithness Network team.
- 5.3. NCVC operates on the model, tried and tested with success at other facilities including the Highland Folk Museum and Inverness Museum and Art Gallery, of having no entry charge and maximising footfall and raising income through donations and secondary spend in the café/shop.
- 5.4. The facility currently opens year with a corresponding year-round, programme of events. Programming is designed to meet the needs of local people as well as visitors to the area.

5.5. The museum collection and interpretation have been maintained, restored and refreshed by the wider HLH Museums team.

## 6. Finance and performance update

6.1. As agreed with funding partners HLH would seek to work within the agreed £150K funding to provide a sustainable service. The business case was originally set in 2019 and reflected the costs of staff, materials, and utilities at the time.

6.2. In season 2022/23 the financial targets were achieved, and the budget was delivered on track, despite the ongoing recovery of the sector in the wake of the pandemic and the rising costs of utilities.

6.3. At the end of the last financial year 2023/24 owing to an additional budget pressure of 25K, which is largely attributable to rising costs including the pay award there has been an estimated negative outturn of 30K.

6.4. HLH liaises with THC and NRS Dounreay to provide robust quantitative and qualitative performance information. This includes the following information.

6.5. Visitor Numbers. Visitor Numbers to NCV C have increased year on year. As expected, visitor numbers are greatly reduced out with the tourist season.

	2021	2022	2023	% Increase/Decline
January		674	928	<b>+37.6</b>
February		755	1258	<b>+66.6</b>
March		893	1447	<b>+62.04</b>
April		2332	2804	<b>+20.24</b>
May		3020		
June		3212		
July		3917		
August		3686		
September		3025		
October		2550		
November	1120	1457		
December	922	1284		
annual	2042	26805		
<b>35,384</b> visitors from opening until close of business at 30 April 23.				

6.6. As part of the funding agreement with NRS Dounreay NCV C reports quarterly on a number of socio-economic measures including the following. Deliver 300 targeted Learning Engagements – (582 achieved). Deliver a programme of

events that supports a year-round offer to the local community. (422 participants achieved against an annual target of 300).

6.7. Customer feedback. Customer feedback for NCVC is of a consistently high standard. NCVC has always met the target of achieving an average rating of at least 4 out of 5 stars across established visitor review sites (TripAdvisor, Google & Facebook) and in-house visitor surveys. The current average rating across the four platforms is 4.7.

6.8. Visit Scotland Accreditation. NCVC received 4\* Visit Scotland Accreditation within 12 months of opening.

## **7. Partnership and programming**

7.1. One of the key aspirations for NCVC was that it would establish strong links with partner organisations to benefit the community.

7.2. THC and NRS Dounreay continue to offer ongoing support not through funding the facility but also in terms of helping ensure the facility is maintained to the standard that the community and visitors expect.

7.3. In addition to the ongoing support offered by the wider HLH Museums Team in terms of interpretation and conservation and the ongoing cross-county collaboration with Nucleus, a range of HLH services including Adult Learning, Libraries, Youth Work, and the Countryside Rangers continue to offer programming and learning opportunities in NCVC.

7.4. In addition to working closely with cultural and heritage partners in the county, robust and ongoing partnerships have also been consolidated with a number of key agencies, including the following.

- Bower WRI
- Dounreay Stakeholder Group – Dounreay Heritage Project
- Girlguiding
- MS Society
- NHS Scotland
- Primary Schools
- Society of Caithness Artists
- Scrabster Harbour Trust
- Thurso Community Development Trust
- Thurso Community Youth Development
- UHI

7.5. In line with the original business case and aspirations for the facility, NCVC provides a wide-ranging programme of events and activities from a wide range of partners. Recent highlights include the following.

7.6. Gallery exhibitions. The Gallery offer has successfully shifted from NCVC being supplied with expensive touring exhibitions with a limited audience appeal to a predominantly local model of showcasing Caithness artists and

makers whilst offering the opportunity for artists to sell on a commission arrangement. The local community and visitors.

7.7. Health, Wellbeing and Happiness Project. The Project exploring the subject of health care in the Highlands was exhibited at NCV. As a legacy from the engagement with regards to hosting the exhibition, the NCV now collaborates with NHS in a variety of activities including support groups for young mothers and weekly, well attended, Baby Massage sessions. The local MS support group also meet at NCV for weekly drop in and therapy sessions.

7.8. Thurso Youth Art Project exhibition. Over a 6-week period, young people from Thurso High School worked with Caithness-based artists Lisa Poulsen, Caron Cumming and Aimee Lockwood to create a range of work that was exhibited at the North Coast Visitor Centre. The project was facilitated by High Life Highland Youth Development in partnership with Thurso High School and was funded by the Highland Council Community Regeneration Fund.

## **8. Challenges**

8.1. In addition to rising costs the most significant challenge has been in the recruitment and retention of staff, particularly in the café. This combined with long term staff illness has resulted in café closures at times which has had a negative impact in terms of both costs and income as well as customer experience. Hospitality staff availability is reported as being a challenge sector wide, but it is anticipated that the recent successful recruitment of a new café supervisor will help stabilise the situation.

8.2. In terms of trading, the café performs well in the tourist season however it also operates at a significant deficit through the winter season owing to the low levels of footfall. The shop continues to perform well having established strong links with local traders who supply bespoke items, giving a local identity and keeping the offer more relevant to the area.

## **9. Next steps**

9.1. HLH are currently engaging with THC and NRS Dounreay to review the business model with a view to discussing options for the future of the facility. The initial 3-year agreement was designed to offer all partners the opportunity to look at sales and revenue, strategy and options, and pave the way to an informed look with regards to the future. Options will be presented to and reviewed by the respective governing bodies of each organisation with a view to agreeing and facilitating a way forward.

Designation: Director of Culture and Learning, High Life Highland

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Background Papers: None