

CANNICH VILLAGE HALL

FEASIBILITY STUDY

for

STRATHGLASS & AFFRIC COMMUNITY COMPANY

by

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CANNICH VILLAGE HALL – FEASIBILITY STUDY

EXECUTIVE SUMMARY

- E1 Strathglass & Affric Community Company (SACC) commissioned the feasibility study to assess future options for either a substantial refurbishment of the existing hall in Cannich, which is over 50 years old, or a new build. SACC is in the process of negotiating with Highland Council to transfer ownership of the existing hall in Cannich to community ownership, and this transfer is scheduled for spring 2011.
- E2 The study included substantial public consultation, which included a drop-in session at the hall in June 2010, discussions with around 30 organisations and groups, and a public meeting on the draft report in October.
- E3 There was a slight majority view in favour of building a new hall, but also strong support for retaining and improving the existing hall. A new hall would be purpose-built, could be a model of energy efficiency, would have more height for badminton, and would have discrete spaces to enable different activities, meetings, etc to take place concurrently. However, the cost would be high (£700,000 plus for a smaller building than currently), fundraising for such a sum would be very difficult for a small community and uncertain, and achievement could take several years; during which time maintaining the viability of the existing hall would be very challenging due to its high heating costs, poor insulation, unwelcoming ambience and lack of flexibility in use.
- E4 The consultation for the study, SACC's early experience in boosting demand, and the experience of well equipped halls in other areas supports projected annual income following substantial refurbishment and improvement of the hall of around £12,500 per annum (at current prices), with annual expenditure projected at around £11,500 per annum. Achieving an annual margin of income over expenditure (necessary to fund any future emergency repairs) will require much improved heating efficiency and voluntary staffing to support the level of paid assistance that could be afforded. A biomass boiler is recommended, with good roof and wall insulation.
- E5 For a target cost in the region of £300,000 (including VAT), it should also be possible to put in a new kitchen with an adjacent meeting room, replace the stage with a community meeting room, store and demountable staging, install a foldable partition within the main hall, replace windows and doors, rewire the building, remove asbestos in the projection room, improve the décor internally and externally, and purchase c£10,000 of new furniture and equipment (including the demountable stage and 50 upholstered seats).
- E6 Highland Council has guaranteed £95,800 towards capital developments subject to a viable project, and other funders might include the EU's LEADER Programme, the Big Lottery, and charitable trusts; with the community providing labour as an in-kind contribution, holding fundraising events, and seeking donations from a range of sources. Wind farm community benefit payments (in time) could contribute towards future development phases, annual operating costs and new activities with a social benefit.
- E7 The improved hall would have a crucial role in maintaining or increasing the local population through providing a multi-purpose facility, with an increase in activity options, and in providing for the area's young people, who are currently the hall's main users. The school would lose its gym facility should the hall close.

1. INTRODUCTION

- 1.1 This Feasibility Study was commissioned by Strathglass & Affric Community Company (SACC) to assess future options for either a substantial refurbishment of the existing village hall in Cannich or a new build. The brief for the study emphasised the need for detailed community consultation, and the findings from the consultation that was carried out, which underpin the feasibility analysis, are summarised in Section 3 of this report.
- 1.2 SACC is in the process of negotiating with Highland Council to transfer ownership of the existing hall in Cannich to community ownership, and this transfer is scheduled for spring 2011.
- 1.3 The hall is over fifty years old, having originally been built as a cinema and canteen for hydro workers, and with an expected active life of just ten years. The hall is of very basic design, expensive to run and lacking the welcoming ambience of many modern halls. Maintenance and repairs over the years have no more than retained the hall in use, the most recent major expenditure by Highland Council having been re-roofing the main hall.
- 1.4 The current hall comprises a main hall with stage, kitchen and side room, toilets and access lobby. Access is from the main road into a large public area with communal access rights. The hall is on the fringe of the village close to the fire station, shinty pitch and pavilion, and Cannich Caravan and Camping Park. Basic public toilets operated by the Council are adjacent to the main road between the hall and the centre of the village. The nearest community facilities were the hall to close are a small hall in Balnain (approximately 8 miles from Cannich), with the larger Glenurquhart Public Hall and the Craigmorie Centre at Glenurquhart High School 13 miles from Cannich in Drumnadrochit or, a similar distance towards Beauly, Kilmorack Hall. Cannich Bridge Primary School depends on the hall for PE lessons and occasionally uses the hall for other purposes.
- 1.5 SACC was given a mandate to explore options for improving the existing hall or building a new one through community consultation in September 2008 which comprised three public meetings; newsletters, leaflet drops and a survey. 144 people (35% of the community) responded to the survey, of whom 80% favoured the local community taking over the running of the hall from the Council. 69% of respondents indicated a preference for a new hall rather than refurbishing the existing hall – which was the preference of 19% of respondents. 12% expressed no preferred option.
- 1.6 SACC was set up in June 2009 to take over the running and management of the existing hall, and has charitable status. It has eleven directors, all from the local community, and a growing membership of more than 250 people.
- 1.7 The study's terms of reference suggested that a new or improved hall might exploit Cannich's location as a gateway to Glen Affric and might provide:
 - An arts facility and performance venue.
 - Health care venue (to upgrade the part-time village surgery).
 - Police local contact point.

- Gallery space.
- Interpretation hub (Forestry Commission Scotland, RSPB, etc).
- Tourist Information Centre.
- Learning and lecture space.

1.8 These and other potential new uses were explored through the community consultation carried out for this study, and three options were subsequently developed for further appraisal:

- (1) Refurbishment of the existing hall;
- (2) Improvements to the existing hall with extensions; and
- (3) A new build on the same site.

1.9 A draft feasibility study report was produced for a public meeting at the hall on 27 October that included consideration of these three options and indicative income and expenditure projections for a new hall (Option 3), which had been SACC's initial preference. The income projections, based on the community consultation, showed that an operational surplus could potentially be achieved through a new hall based on the increased attractiveness of the facility and a greater range of lettable spaces than available in the current hall.

1.10 However, by the time of the public meeting, SACC had gained experience from initial efforts to build up hall usage from the low level to which it had fallen, and, for three principal reasons, recommended a more modest development to the 50 people* who attended the meeting:

- Despite potential demand expressed through the consultation with the community and other potential users, it was considered that major funders might be sceptical of the projections being achievable. Given the strong competition regionally and nationally for funding for new and improved community facilities, there would be the risk that projects in communities with a stronger local base (e.g. due to population size or higher existing usage) would be favoured in decisions on major funding.
- It could take several years to fundraise and build a new hall, and significant expenditure on improving the existing hall meantime could not be justified.
- An incremental approach to refurbishing the existing hall and improving its flexibility in use, with extensions as funding availability permits, would enable usage to be increased and operating costs reduced (through improved heating and insulation) within the first year. Also, such an approach would enable local voluntary input to be maximised and local builders to carry out certain of the work relatively cost effectively (subject to competitive pricing). Should community funding through major local renewable energy developments become available in the future, this could pump-prime future phases of development.

* A further 8 people gave their apologies.

- 1.11 There was strong support at the public meeting for the community to take over the hall from Highland Council with a view to increasing usage and reducing operating costs (through greater energy efficiency and voluntary staffing), and a majority of attendees favoured the incremental development approach. It was accepted that, although a new build would be ideal (as identified through the options appraisal), there was a high risk that full funding would not be obtainable for the development, and that the risk of not achieving adequate annual income to justify the investment was greater than the risk of not achieving operational viability through investment in the existing facility, whose size and potential flexibility are significant assets. Thus, this final feasibility report focuses on this incremental approach. Details on the potential cost of the indicative new build option, potential funding and indicative income and expenditure projections are provided in our draft report (October 2010).
- 1.12 It is important to appreciate that the current hall has been operating at a significant deficit (£11,812 in 2009/10), and that the community, through SACC, will only be able to keep it open, subject to transfer of ownership being completed, if at least break-even can be achieved (including annual fundraising). Voluntary staffing is proposed to reduce costs, but heating and power (which cost £6,439 in 2009/10) is the major expense which it might not be possible to reduce significantly. Annual income from lettings in 2009/10 was just £1,290, and increasing this to contribute to viability will be a challenge for SACC and the community.
- 1.13 Keeping the hall open prior to the development project and building up usage will help pave the way for increasing activity within an improved building as well as demonstrating the community's commitment and interest in social and recreational activities to funding agencies. If the hall cannot become viable, however, SACC would have no option but to close or restrict opening hours to save winter heating costs and to charge users rates that cover heating costs (which would entail increasing current hire rates).
- 1.14 Should SACC decide not to proceed with the transfer on operational cost grounds, it is possible that Highland Council would not keep the hall open beyond spring 2011 due to the major spending cuts which it requires to make. Should the hall survive the impending cuts, further cuts in Highland Council's budget are inevitable over the four years to 2014/15 as the UK Government's public expenditure cuts work through to Scotland and Highland. By 2014/15, Scotland will receive in excess of 11% less funding (net of inflation) than currently from the UK Government, and this is certain to affect annual allocations to Local Authorities. Thus, the threat to the hall under continuing Council ownership and operation would remain.
- 1.15 More generally, the availability of public funding in the Highlands and Islands has been shrinking, with Highlands and Islands Enterprise, for example, having much more restricted funding available for community development projects; whilst EU funding, which has been very important, will cease or greatly diminish after 2013. In the context of the world economy and the UK's competitiveness, it is considered unlikely that public funding will improve to any significant extent after 2014/15, and communities throughout the country will need to find new mechanisms to support and develop community activities and services.

- 1.16 As discussed in Sections 5 and 6, community benefit payments from renewable energy developments could offer a lifeline for facilities in rural Highland communities such as Cannich, even though these might be opposed on amenity grounds by particular residents.
- 1.17 Looking forward several years is inevitably difficult, and it should be appreciated that the medium term projections for usage, income and operating costs for an improved hall in Cannich provided in Section 6 are indicative.

2. THE LOCAL CONTEXT

- 2.1 The catchment area of the Cannich hall has a relatively small population, which is relatively highly concentrated within the village (which has a population of around 90 households and 200 people). The smallest area (data zone) for which demographic data are produced annually (see Appendix 1) covers Cannich and Strathglass, which had a population of 874 in 2008. The age structure of this area in 2008 was as follows:

Age	No	%
0-4	42	4.8
5-19	161	18.4
20-44	253	28.9
45-64	283	32.4
65-84	123	14.1
85+	12	1.4
Total	874	100.0

- 2.2 This data zone area stretches to Kilmorack, and the population for which Cannich Hall is their closest hall is estimated at c600 (the Community Council area), of whom 420 are over 16. Excluding the very young, the very elderly and the infirm, the local population who are potential regular hall users would be c550. This is not a limiting indicator of demand, however, as people from further afield might visit for an event that appeals to them (a performance, a talk, a birthday party, etc), and there is a substantial flow of tourists through Cannich en-route to Glen Affric, particularly in the summer, whilst other visitors stay overnight at the Caravan and Camping Park or in other local tourist accommodation. Annual tourist visits to the area are estimated at 70-80,000.
- 2.3 In 2005, Forest Enterprise (FE) explored the scope to develop a Glen Affric Visitor Centre to interpret the National Nature Reserve and other local features of interest. The feasibility study produced by Brian Burns, Steve Westbrook and Duncan Bryden for the potential project identified Cannich as the preferred location but, due to overall budgetary constraints and its national priorities, FE has not progressed the development. The markets that were identified for this project are, to an extent, relevant to provision within a new or extended hall in Cannich. Also, a feasibility study for a Cannich Centre produced by sbworks in 2003 assessed markets for displays and exhibitions aimed primarily at visitors, and the scope to provide facilities for the local public that would be complementary to the hall, including a space that could be used for a surgery to replace current provision.
- 2.4 In common with all regions in the UK, the Highland population is ageing. By 2033, the proportion of the population aged 65 or over is expected to increase to 29.1% from 18.2% in 2008. As people live longer, a community hall could provide a range of facilities and services for them (many of whom will live alone), but the younger population of the Cannich area is likely to decline proportionately unless new housing for families is developed.
- 2.5 The Inverness Local Plan (2006) shows 0.4 hectares of land in Cannich opposite the post office allocated for 3 houses and 0.5 hectares by the youth hostel allocated for 4 houses. For future housing expansion and amenity uses, 3.2 hectares is allocated east of MacColl Road for 26 houses, and 1.9 hectares south of MacColl Road for 18 houses. There has been little new housing development in the area in recent years, and the economic climate, which

is severely depressing new house building, is not propitious for short term population growth in the area. Potentially, however, new housing development could more than counter the trend towards smaller average household size and modestly increase the area's overall population. The priority from a community perspective will be to increase the number of young people in the community, which would support the primary school and youth activities – although, in planning for a new or extended hall, population growth within the catchment area cannot be assumed.

- 2.6 Cannich Bridge Primary School currently has a roll of 34, comprising 19 pupils in P1-P3 and 15 in P4-P7, and with 10 children in the on-site nursery. The school was completely refurbished in 1992. Lacking a gym hall, the school depends upon Cannich Hall for PE lessons.
- 2.7 Cannich Caravan and Camping Park is a quality facility, with the Bog Cotton Café on-site. This is popular with local and visitor markets and hosts some community activities. Also, the Slaters Arms can accommodate community groups for meetings, etc.

Other Hall Provision

- 2.8 Balnain Hall, the closest alternative hall for residents of Cannich, is relatively small, with a seated capacity of 100-120. The community owns the hall, which replaced a previous hall in 1995. Current uses include a playgroup, mothers and toddlers, yoga, art classes, Gaelic classes, gym provision for the local primary school, meetings of the Community Council, the local wind farm initiative meetings, Scottish country dancing practice for local events, parties, etc. Whist raises funds during the winter and an annual Burns Supper is held.
- 2.9 In Drumnadrochit, Glen Urquhart Public Hall (also known as Blairbeg Hall) is run by an active management committee on behalf of the community, who own the hall. The hall promotes arts events (particularly music) regularly and is also used by the following clubs and groups: indoor bowling, Boys Brigade, shinty club, badminton club, Glenurquhart Care Centre annual craft fair, Glenurquhart Childcare Centre discos for primary children and fundraisers, Glenurquhart Highland Dancing Club, Youth Club discos, Angling Club, Glenurquhart Highland Games Committee meetings, Glen Urquhart Community Council meetings, Glen Urquhart Rural Community Association meetings, Glen Urquhart Horticultural Society meetings, talks and annual flower show, art classes, and Sea Angling Club. This usage both illustrates the scope for a hall to serve a wide range of purposes in a larger community where forming a group can be relatively viable in terms of numbers, and the constraints on developing new activities in Cannich aimed at a wider geographical market that might already be well served in its local area.
- 2.10 Also in Drumnadrochit, the Craigmonie Centre at Glenurquhart High School has a well equipped 200 seat theatre for a range of arts events, a multi-gym / sports hall, fitness suite, meeting rooms, public library, café, all weather floodlit pitch and changing facilities. The Glenurquhart Childcare Centre is adjacent.
- 2.11 The Kilmorack Hall is the closest hall for those who live at the eastern end of Strath Glass. The hall is relatively small and of substandard construction with limited facilities, but there are ambitious proposals to replace the hall with an L-shaped new building with a larger main hall with fixed stage and backstage areas, meeting room, storage areas, kitchen / servery, and toilets, with upgraded access. The plans show a net ground floor area of

499m². Current hall users include Happy Feet dancers, Kilmorack lunch bite (once a month), Scottish Country Dancing, Kilmorack under 5s, Ready Steady Go Club (nursery age) and junior shinty training.

2.12 The Phipps Hall in Beaully is a traditional venue for events, within two performance spaces and a library. Beaully Arts Group promotes for the venue.

3. CONSULTATION

3.1 Early discussions with the SACC committee identified relevant previous consultation and gave us contacts for organisations, groups and activities whom we consulted about potential future hall use, their preferences for a new or improved / extended hall, and any special requirements they might have (e.g. size of main hall). Further contacts were identified as the consultation proceeded, and the following were spoken to individually:

Strathglass & Affric Community Company
Strathglass Youth Club / Junior Youth Group
Cannich Bridge Primary School Parent Council
Bowls Group
Country Dancing
Strathglass Sport & Recreation Association
Strathglass Shinty Club
Strathglass Community Council
Strathglass Marketing Group
Strathglass Heritage Group
Natural High Guiding
Whist Group
Junior Football
RSPB
Forestry Commission
Scottish Natural Heritage
Wildlife Explorers Group
RAF Kinloss Mountain Rescue Team
Croyard Road Medical Practice, Beaulieu
Aird Road Medical Practice, Beaulieu
Police Service
Highlands and Islands Fire & Rescue Service
Art Classes
Sewing Classes
Exercise Classes
Highland Council (as current owners)
HI Arts

3.2 A drop-in session was held at the hall on 26th June 2010, and this provided further evidence of community demand and preferences between the development options. The results from this session are summarised following the key points below from the individual consultations.

Strathglass & Affric Community Company

- Making efforts to increase usage of the hall through encouraging local residents to form new groups or provide classes, etc in the hall.
- Focus on the high costs of heating and the scope to reduce this, e.g. through only heating the hall when in use.
- Willing to staff the hall on voluntary basis – management, caretaking, administration, basic maintenance, cleaning, etc – to promote viability.
- Maintaining existing charges following consultation with user groups.

Strathglass Youth Club / Junior Youth Group

- Youth group the most regular users of the hall. Including school PE lessons, shinty training and other activities, some of the younger children (7-12) may use the hall and the surrounding area 3-4 times per week. At the time of our consultation, there are 22 younger participants (with a waiting list) and 8-10 older children.
- Shinty pitch used for outdoor games, but can be muddy, and an all-weather pitch preferred.
- Size of hall useful (marked for two badminton courts and one basketball court).
- When set up with one badminton net, it is possible for a pool table, table tennis table and soft play equipment to be used simultaneously.
- Would like to be able to play 5-a-side football in a hall.
- Changing rooms and showers considered desirable.
- Adequate storage space currently as little demand from other groups for storage.
- Good kitchen workspace for food preparation important.
- Separate youth room would be more popular with older group members, with soft seats, internet connection, etc.
- Sound system would be popular.

School Parent Council

- Hall used for PE class (up to 17 children) on a Thursday afternoon for 1.5 hours, and for shinty practice.
- Every second year, hall used for an Xmas production. The school might use a drama space in a new / improved hall.
- Small badminton club on a Tuesday paid for by Education.
- Good floor for PE.
- Constraints – distance from school, time to walk (half an hour there and back), need for extra member of staff to accompany.
- A craft fair 4 or 5 years ago, but hall too expensive to hire.
- Parents like coming to the school, so limited need for the hall where school space is adequate.
- The two youth clubs considered set up quite well.
- Active schools co-ordinator had generated new activities, brought in equipment, etc – e.g. short tennis, dance classes [this activity had stopped in January, but has now resumed with replacement co-ordinator now in place].
- No minibus in Cannich, and not considered economic to operate (e.g. no garage for maintenance), even if one could be obtained at no cost.
- “Talk of an adult badminton club”.

Bowls Group

- Use hall one night per week in winter for approx 3 hours. Pay £15.50 per session, with kitchen charged extra for half hour use.
- 12 members, mainly pensioners (which means that a pensioners rate is charged for the let).
- Hall can take 3 carpets, but usually use 2. Carpets stored in the hall.
- Heating poor and not ideal for older members.

Country Dancing

- Previously used for practice every week, but Cannich members were down to 4 and now use Balnain Hall (which is much cheaper at £15 for up to 2 hours including kitchen).

- Used twice a year now for larger dances. The stage useful for live music, and the dance floor is excellent.

Other Dances

- Annual Shepherds and Stalkers dance attracts 80-100 people.

Sports and Recreation Association / Shinty Club

- Lease the pavilion and sports field from SSE. Trying to negotiate a 99 year lease. Agricultural store for ground maintenance equipment.
- Summer shinty replacing winter shinty has reduced the need for indoor training facilities and the hall now rarely used for indoor shinty training.

Strathglass Community Council

- Have free use of the hall.
- Pensioners Xmas lunch an annual event provided free with funding from Councillor's discretionary budget.

Strathglass Marketing Group

- Group understood to be defunct.

Strathglass Heritage Group

- Group wound up.
- Archive material not currently displayed. Much relates to the hydro construction, with other material about individuals in the glens.
- Material will be sent to archive centre in Inverness if not displayed locally.

Natural High Guiding

- Run summer and winter walking festival. Hall too big for winter event numbers but OK for the summer. Catholic Church Hall has been used for smaller groups.
- Hall good for events such as the Three Glens Mountain Bike event, which attracted over 360 competitors. Outdoor tap for cleaning bikes and bike stands would be useful. Local Three Glens group meets from time to time and would use hall if there were a smaller and warmer room.

Whist Group

- Has 20 members and meets twice monthly in Bog Cotton Café.

Junior Football

- Group wound up. Hall robust for indoor and ball sports.

RSPB

- No requirement for office space, but could contribute to a display if set up.

Forestry Commission Scotland

- Have used the hall for one-off events.
- Hall not a good location for an FCS presence.

Scottish Natural Heritage

- An application could be made towards an interpretive exhibition (but funding is shrinking and competitive).

Wildlife Explorers Group

- Use the hall sporadically, but concerned about cost of hall plus kitchen. Alternate between Cannich and Balnain (smaller, but only £4 for the entire morning).

RAF Kinloss Mountain Rescue Team

- Use hall twice a year for a weekend, plus Leuchars MRT use hall once a year [*but RAF Kinloss is to close*]. Budget for accommodation hire £300 per weekend.
- Parking space needed for Land Rovers, etc plus boat.
- Large hall useful to lay out kit and sleep.

Croyard Road GP Practice, Beauly

- Use the space in the old District Nurse's house in Cannich (waiting room, consulting room, toilets) once a week.
- There is currently no running hot water and the building is not DDA compliant.
- The house has been vacant for 8 or so years.
- NHS Highland has been trying to close the facility for last 8 years.
- An alternative venue would be welcomed.

Aird Road GP Practice, Beauly

- Use space at the District Nurse's old house once a week free of charge.
- Useful to have the space in Cannich, especially for elderly people.
- Not of interest to them at the moment as long as they get the existing space free of charge.

Police Service

- Cannich has lost a policeman based in the Glen.
- Someone recently appointed to cover Cannich, but will be based at Beauly Police Station [*but the station is scheduled for closure with operation moving to Muir of Ord*].
- They have an arrangement which allows them to use the District Nurse's house (they have a key).
- Some presence in the Glen is useful.
- Possible use of hall – one-off events. No need for permanent space.
- If there was a major incident in Cannich they could use a mobile incident vehicle.

Fire & Rescue Service

- Cannich fire service attends about 20 incidents per year.
- Currently 9 retained fire fighters in Cannich. 2 more recent recruits will bring the total to 11.
- One of the new recruits is a woman – the first female fire fighter in Cannich. This has implications for the fire station space – as separate female changing and toilet facilities are now required.
- The fire appliance is similar to a large Post Office van, but it would be good for the station to have a larger appliance. However, there are space constraints within the existing building, which mean that it can't currently house a larger vehicle.
- Within the existing office about 12m² is used for toilets and office space. The changing takes place in the main space, as does training.
- There is a screen on one wall and an A/V system suspended from the ceiling.
- They have a training session every Wednesday evening year-round. When they want to use the A/V they have to move the fire appliance out of the building.
- They can not do this on cold winter nights as the water pump in the appliance may freeze.

- The building and adjacent 'car park' area are owned by the Fire Service.
- One possible development option is the removal of the changing, training, office functions from the fire station to a refurbished / extended / new hall, thus giving more space to accommodate a larger appliance (it would also address the requirement for separate female changing facilities).
- Future budgets are a constraint at present, and the Service suggests re-contact once these are clearer.

Art Classes

- Scope for classes, exhibition space and (possibly) start-up space for artists.
- Life drawing benefits from a warm comfortable hall.
- Local landscape a potential factor to draw in visitors.

Sewing Classes

- Six week session held up to end September and a further series was to begin in November.

Yoga Classes

- Weekly classes have started.

Other Exercise Classes

- Scope if sufficient interest.

HI Arts

- Coigach Hall may be a useful model for Cannich (e.g. contains UHI Learning Centre, space for a local hairdresser, etc).
- Artistic activity – unlikely to be a major driver for the hall without substantial financial support.
- There is probably potential for art holidays based at the hall, but how to develop the market and achieve critical mass?
- Creative Scotland is not a realistic funding source.
- Promoters Arts Network (PAN) working towards creating a network of venues (such as village halls) that can be promoted as the basis of coherent itineraries for music groups, etc.
- PAN a source of advice and guidance.

The Drop-in Day

- 3.3 Of the 89 people who attended the drop-in consultation, 41 lived in Cannich, 29 within 5 miles of Cannich, 8 within 5-10 miles of Cannich, and 3 lived elsewhere.
- 3.4 Of those who gave their age, 11 were under 15, 1 was aged 15-24, 5 were aged 25-34, 39 were aged 35-54, 8 were aged 55-64, and 15 were 65 or over.
- 3.5 23 people said they used the hall weekly, 3 monthly, 43 occasionally and 8 never.
- 3.6 In terms of sport, the main comments on the existing hall were:
- | | |
|---------------------------------|----|
| Plenty of space to run about in | 11 |
| Roof too low for badminton, etc | 6 |
| Flexible space | 5 |
- 3.7 The most mentioned improvements or enhancements were:
- | | |
|--|----|
| Heating and renewable energy improvement | 14 |
| Meeting / smaller rooms | 12 |
| Improve controllable lighting / natural light | 8 |
| Visitor centre / display area | 8 |
| Higher ceiling | 8 |
| Improved kitchen | 6 |
| Multi-functional space with retractable screens | 6 |
| Screen, internet connection, projector, video conferencing | 6 |
| Better storage | 5 |
| Outdoor all-weather games area | 4 |
| Showers, changing, baby changing | 4 |
| Bar, café refreshment area | 4 |
| Car parking improvements | 3 |
| Sprung floor | 3 |
| Gym, climbing wall (inside and / or out) | 3 |
- 3.8 The lack of a smaller meeting or conference room or the ability to sub-divide the main hall was mentioned by 6 people, and the lack of a screen, projector and amplifiers was mentioned by 4. Four people commented that the kitchen could be more modern.
- 3.9 Five said that the space was suitable for live bands, entertainers and school plays, and 5 appreciated the large hall for dancing.
- 3.10 Seven people would like permanent displays about history, geography, culture, sport, estates, hydro, etc. Seven people suggested relocating the GP surgery to the hall, and four suggested opening the toilets to the public (as at Invermoriston Hall). Seven suggested a very “green” building to reduce heating costs.

3.11 Ideas put forward for the external area were:

- Re-organise car parking (more definition of car parking spaces).
- Landscaping / small garden.
- Decking / outdoor seating area.
- Re-organise recycling area.
- Outside lighting.
- Outside water tap (and adjacent area for washing bikes, etc).
- External shelter (for smoking).
- Outdoor all-weather playing area (not necessarily very large?).
- Space for biomass boiler, hopper and delivery / loading area.
- Greater definition of entrance to the site (e.g. banners marking the entrance).
- Space for craft / business units associated with the hall.

3.12 Voting on the five hall development options that were given was as follows:

Refurbishment of the Hall	34
Refurbishment of Hall with a link to the shinty pavilion	15
New build reducing the footprint of the building	14
New build with landscaping of the car park and entrance	43
New build integrated with the shinty pavilion – plenty of natural light in both	19

3.13 The SWOT analysis below was developed from the consultation responses.

Strengths

New build

- More flexible space, more attractive to potential users, lower running costs, grants available for eco build
- Easier and cheaper to run
- Better planned space for activities
- Better insulation
- Lower energy costs
- Sustainable
- Aesthetically pleasing and attractive to new users
- Cheaper in long term when considering whole life costs
- Not compromised by existing floor plan or heating system

Refurbishment

- Large size suitable for a wide range of activities

Weaknesses

New build

- Loses character of old hall
- New build won't change usage much
- Time lag whilst any new building is being built
- Expensive
- Income not enough to sustain a new building
- Loss of amazing space and great dance floor
- Walls not robust enough to deal with ball games – winter shinty practice

Refurbishment

- Throwing money away on a building which won't last
- Quick fix – not long term solution
- Old hall floor is getting very weak
- 12 overhead heaters
- Very little insulation
- Generally more expensive to try to refurbish existing building
- Money already spent on refurbishment of roof – what happens – can it be re-utilised?

Opportunities

New build

- Chance to get something fit for community purpose and needs
- Long term solution
- Form partnerships with other organisations
- Develop wider use
- More flexible / could meet more community needs
- May attract more visitors to the area if state of the art green build
- Community could do some of the construction work themselves
- Scope to create dedicated outdoor space / courtyard – solar gain and watching sport
- Smaller hall and more windows

Refurbishment

- More space for new activities.

Threats

- Lack of people to run clubs is real threat, not buildings
- Majority of community not involved
- Some people in community would not use a new hall – fond memories of existing one
- Resistance to change
- Unwillingness to help – raise money and get involved
- Difficulty in encouraging locals to use the hall for events
- Loss of interest whilst new hall is being built – what will be used during the construction period?

- Some folk still expect Highland Council to wave a magic wand and fix everything
- Would feel let down if new hall was not as 'green' as it possibly could be
- Will there be consistent support given a changing population
- New / refurbished hall not relevant to what people use it for = white elephant
- Distance from school is a big issue

3.14 The extent to which the above points would apply will depend on the size of a new hall (it would be smaller than the existing hall – see Section 4 below) and the degree of improvement of the existing hall as an alternative.

3.15 Some of the negative points reflect the dwindling use of the hall in recent years, and it was clear from the public meeting in October that the efforts that SACC has made to promote usage of the hall and work towards a much improved facility is increasing community confidence in the extent to which a new or refurbished hall might be used.

4. OPTIONS APPRAISAL

4.1 The three options outlined below were developed following the community consultation, and indicatively costed to help appraise their potential fundability (see 4.3 below). Indicative drawings are provided in a separately available appendix. Following consideration of our draft report and the public meeting in October, a revised Option 1 was developed with the SACC Committee. This is described from 4.10 below, and the income and expenditure projections in Section 6 relate to this new option (our October 2010 draft report provided projections for the new build option, which had been the Committee's initial preference).

Option 1. Refurbishment of the Existing Building

- Insulating the building
- New heating – biomass (Energy Box System)
- Re-wiring
- New kitchen facilities
- Folding partition in the hall space (an option)
- Removal of asbestos in projection room
- New windows, new external doors, improved external lighting, external water tap
- General improvement to decor

Option 2. Refurbishment and Extension of the Existing Building

- Same improvements as for Option 1, plus:
- Demolition of existing kitchen block
- Extension to a total area net area of 526m²
- Materials for extension : timber frame (Regularised Sitka Spruce), timber cladding (European Larch), profiled metal roof
- External decking
- Underfloor heating in the new extension
- Floor finishes in extension: practical, hard-wearing (tiles, vinyl or similar)
- Extension – forming of roof and walls

- Accommodation schedule:

Main Hall	257m ²
Stage	21 m ²
Female WC	19 m ²
Male WC	15 m ²
Foyer 1	17 m ²
Foyer 2	27 m ²
Circulation	25m ²
Changing Room	26 m ²
Kitchen	23 m ²
Community Room	40 m ²
Office/Meeting Room	27 m ²
Store 1	8 m ²
2	7 m ²
3	4 m ²
4	10 m ²
Net Floor Area	526 m²
Gross Floor Area	552 m²

- Problems with current layout include:
 - Separation of changing rooms from toilets
 - 2 main entrances – reduce to one and create more usable space?

Option 3. Construction of a New Hall

- Demolition of existing hall
- Starting point : plan/section on p6 of the Village and Community Halls : Design Guidance Note, Sport England 2001 (points include minimum height of 6.1 metres over a badminton court)
- Accommodation schedule:

Main Hall	180 m ²
Female WC	8 m ²
Male WC	8 m ²
Disabled WC	4 m ²
Foyer	29 m ²
Entrance	6 m ²
Circulation	20 m ²
Changing	24 m ²
Office	8 m ²
Cleaner	3 m ²
Kitchen	10 m ²
Community Room	23 m ²
Store 1	8 m ²
Main Store 2	41 m ²
Net Floor Area	372 m²
Gross Floor Area	386 m²

- Basic dimensions of main hall based on one badminton court
- Demountable rather than permanent stage
- Location of the hall : on current hall footprint or in another location on the site?
- Materials : Timber frame (Regularised Sitka Spruce or I Beams), with concrete blocks for impact areas, timber clad (European Larch), profiled metal roof
- Biomass heating system (Energy Box) – underfloor heating
- Sprung floor in hall
- Floor finishes – hard wearing, practical – tiles, vinyl or similar
- Kitchen – domestic style kitchen units
- Low flushing toilets, etc
- Standard roof trusses
- Forming of walls / foundations
- Some allowance for unspecified external works

4.2 The specification for the new build option would be informed by the Village and Community Halls : Design Guidance Note, and compliance with all Building Regulations (including DDA compliance) is assumed.

Indicative Costings

4.3 Cost estimates prepared by the Torrance Partnership for the three options are provided below. Option 3 costs include demolition of the existing hall, and asbestos removal is allowed for.

Torrance Partnership Cost Estimates

Option 1 Gross Floor Area 483 m²

Element	Cost £	£ / m ²	%
Substructure	-	-	0%
Superstructure	46,629.52	102.93	26%
Finishes	22,659.64	50.02	13%
Fixtures and Fittings	4,375.00	9.66	2%
Mechanical & Electrical	55,598.00	122.73	31%
Builder Work In Connection with Services	2,641.00	5.83	1%
Site Works	-	-	0%
Design Contingency Allowance	13,190.32	29.12	7%
Preliminaries	17,411.22	38.44	10%
Main Contractors Overheads and Profit	6,500.19	14.35	4%
Risk Allowances	8,450.24	18.65	5%
Construction Inflation Allowance	3,549.10	7.83	2%
Estimated Total Construction Cost	181,004	400	100%

Option 2 Gross Floor Area 572 m²

Element	Cost £	£ / m ²	%
Substructure	2,640.00	4.62	1%
Superstructure	161,693.00	282.68	42%
Finishes	38,400.00	67.13	10%
Fixtures and Fittings	5,875.00	10.27	2%
Mechanical & Electrical	64,294.00	112.40	17%
Builder Work In Connection with Services	3,054.00	5.34	1%
Site Works	7,450.00	13.02	2%
Design Contingency Allowance	28,340.60	49.55	7%
Preliminaries	37,409.59	65.40	10%
Main Contractors Overheads and Profit	13,966.25	24.42	4%
Risk Allowances	18,156.12	31.74	5%
Construction Inflation Allowance	7,625.57	13.33	2%
Estimated Total Construction Cost	389,904	680	100%

Option 3 Gross Floor Area 368 m²

Element	Cost £	£ / m ²	%
Substructure	57,751.65	149.62	10%
Superstructure	171,490.00	444.27	31%
Finishes	29,955.00	77.60	5%
Fixtures and Fittings	10,075.00	26.10	2%
Mechanical & Electrical	90,617.00	234.76	16%
Builder Work In Connection with Services	4,305.00	11.15	1%
Site Works	43,275.00	112.11	8%
Design Contingency Allowance	40,746.87	105.56	7%
Preliminaries	53,785.86	139.34	10%
Main Contractors Overheads and Profit	20,080.06	52.02	4%
Risk Allowances	26,104.07	67.63	5%
Construction Inflation Allowance	10,963.71	28.40	2%
Estimated Total Construction Cost	559,149	1,449	100%

Notes:

The cost estimates are based on 3rd quarter 2010 prices and on competitive all-trades tenders for the works.

The Energy Box is based on a budget quotation from Organic Energy for a Type B Box (£37,500).

The following costs are excluded: VAT; professional fees; loose fittings, furniture, etc; white goods; statutory connection charges for electricity, drainage, water and telecomms.

- 4.4 Costings of the new loose fittings and equipment that might be purchased for a new build or major refurbishment were provided in Appendix 3 of the draft report. These totalled £27,510 with plastic seats, or £31,350 with upholstered seats. Raked demountable seating for performances was not costed. These costings were indicative and were produced for the purpose of assessing the approximate overall costs of the three initial options above. Having determined its preferences for an option between Options 1 and 2, SACC drew up a different list of requirements that is given at 4.13 below.
- 4.5 Adding the following assumed professional fees and VAT to the three options gives the following indicative total costs for each of the three options at 2010 prices, with an allowance for construction inflation. A new build would not incur VAT.

Professional Fees	Possible Costs
Option 1	18.25% = £33,000
Option 2	15.25% = £59,000
Option 3	12.7% = £71,000
VAT at 20% on Construction, Equipment & Furniture	
Option 1	£43,000
Option 2	£90,000
Option 3	£20,000 (est)
Indicative Total Costs <i>(inclusive of external improvements and landscaping allowance)</i>	
Option 1	£300,000
Option 2	£600,000
Option 3	£700,000

- 4.6 An architectural feasibility study would be required for Option 2 or 3. This would broadly cover RIBA Work Stages A and B – Inception and Feasibility, which would provide much of the information required to formulate the next stage, C – Design, followed by Outline Proposals. Stage D relates to Scheme Design and a full planning application, and Stage E to Detailed Design and Building Warrant application.
- 4.7 Once the brief were established, a lead-in time of 12-18 months would be required to reach the construction phase, which might then take 9 months.
- 4.8 On the indicative costings given above, a new build would cost c£100,000 more than a comprehensive refurbishment with extension. Costings for the eventual Option 2 or 3 design could, however, vary significantly from these indicative costings, and tender prices could come in above or below the revised costings – depending, in particular, on the competitiveness within the construction industry at the time of tendering. Currently, pricing is keen.

The Committee’s Preferred Option

- 4.9 SACC Committee’s initial preference in theory for the new build option was based principally on the following:
- There is more scope to design a new build to the precise specifications required, and re-orientation on the site would be possible. A new hall sitting further forward than the existing hall would give a better line of sight from the main road, enabling the hall to become a village landmark.

- A new build can provide for more flexibility in use than a building constrained to an extent by the existing structure.
- A new build can be carbon-efficient and could become an exemplar of best practice in such a location.
- The smaller hall would be large enough for the majority of potential uses, while being cheaper to heat and more intimate.
- The badminton court would have full height, which would suit adults and the more advanced juniors.
- There should be minimal need for major maintenance or repair in the short-medium term.

The Community's Preferred Option

4.10 Between receipt of our draft report and the public meeting in October, SACC switched its preference for a new build to a variant of Option 1, which would entail improving the existing hall, improving heating efficiency and insulation, and creating more flexibility in usage within the building – with an extension to provide extra rooms and generate additional income if funding is (or becomes) available. This option was considered more likely to attract funding taking into account:

- The potential availability of funding (see Section 5 below).
- The more modest increase in usage that would be required to achieve viability and demonstrate levels of use sufficient to justify support funding.
- Confidence (endorsed by the architect) that the structure of the existing hall would give it as long a life as a new hall.
- Greater scope to phase development, which would allow usage to build up gradually, new uses currently not possible to envisage to be catered for as they arise, and new funding sources to be tapped into as they become available.

4.11 Attendees at the community meeting generally accepted the logic for this option, and expressed strong support for maintaining a hall in Cannich, with particular emphasis on its importance as a social and recreational venue for young people. An improved hall would not entail a lengthy period of closure, and certain improvements could be carried out relatively quickly once the community assumes ownership of the hall. The need for voluntary effort was acknowledged, and a number of practical ideas for minor improvements were put forward.

4.12 Following further consideration after the meeting, SACC gave us the following list of priorities for a refurbished and improved hall. Most of these were incorporated in our Option 1 specification.

- Insulation of the building (ideally including timber cladding which would also improve its appearance).

- A new heating system.
- Re-wiring.
- New kitchen facilities.
- A folding partition within the main hall to provide smaller lettable spaces and enable activities to take place concurrently.
- Removal of asbestos in the projection room.
- New windows, new external doors (using wood and glass where possible to maximise natural light), improved external and internal lighting.
- General internal and external décor improvements.
- Loose fittings as detailed at 4.13 below, and, if funding can be sourced:

Demolition of the stage area to create an area for a demountable stage and a community meeting room.

Internal and external decoration of the main entrance lobby to make it more attractive.

4.13 The priority loose fittings requirements identified by SACC are (inclusive of VAT):

	£
<i>Hall</i>	
Seats – Upholstered 50 x £45 per seat	2,250
Tables – Foldable 5 x £150 per table	750
Air Hockey Table	200
<i>Kitchen</i>	
Fridge	250
Microwave	100
Misc kitchenware, etc	600
<i>Audio/Visual</i>	
Demountable Stage	5,000
Stage Lighting	400
Miscellaneous items	450
Total	£10,000

4.14 Ideally, and also subject to cost and funding availability, the current sub-standard kitchen extension would be demolished and replaced with a well insulated space of similar size that would comprise a kitchen and adjacent meeting area.

4.15 This plan would not entail the internal space changes envisaged in Option 2, and development costs would fall between those indicated for Options 1 and 2 above – after allowing for reduced Option 1 costs through lower purchases of furniture and equipment (c£10,000 rather than c£30,000), lower professional fees (with more work carried out through trades quotes), and a degree of voluntary input. Overall, the target development

budget considered fundable might be in the region of £300,000 (inclusive of VAT where applicable).

4.16 Neil Sutherland suggests the following budget costs over and above the Option 1 indicative costs given at 4.3 above.

	£
Demolition of stage and external store and access	1,750
Construction of new floor below existing stage	2,000
New partition wall	1,920
New doors and windows	2,000
New access steps	1,000
Miscellaneous costs (say)	1,330
Total (approx)	£10,000

4.17 Excluding kitchen improvements (see below), the following overall indicative budget for this option (Option 1(b)) might be:

(i) Option 1 QS estimated costs	181,000	<i>(excl VAT)</i>
(ii) Loose Fittings	10,000	
(iii) Additional Items (see 4.16 above)	10,000	<i>(excl VAT)</i>
(iv) Allowance for Professional Fees	9,000	<i>(excl VAT)</i>
(v) VAT at 20% on (i), (ii) and (iv) above	40,000	
	£250,000	

4.18 The allowance for professional fees is modest compared with the previous assumption for Option 1 on the basis that competitive quotes for different aspects of the overall project would be sought and that SACC (with professional assistance) would manage the development project. Should the cost be higher than £9,000, the total cost of Option 1(b) should still not exceed £250,000 since the method of procurement recommended should give lower costs for the Option 1 elements than assumed in the QS costings.

4.19 Indeed, this total budget cost of £250,000 would be reduced through taking up an offer from SSE to provide timber to the community from the felling that it will carry out for the Beaulieu to Denny power line upgrade. Logs could be milled, stacked for seasoning and used for cladding the hall. Larch is the most useful species for external finishes such as cladding, while Douglas Fir or Scots Pine (if available) could be used for cladding and potentially other purposes.

4.20 Improving the existing kitchen might cost in the region of £20,000, whilst a replacement kitchen and meeting room on a similar footprint might cost up to £70,000.

4.21 Thus, replacing the kitchen / meeting room as well as demolishing the stage and creating a meeting room and increased storage (Option 1(c)) might bring the overall project cost to around £300,000.

4.22 The separately available Appendix of Drawings and Images includes drawings for Option 1(b) and Option 1(c) (the preferred option), as well as for the original Option 1 (referred to as Option 1(a)), with a perspective image of Option 1(c). Also, drawings and perspective images are provided for the original Option 2 (referred to as Option 2 (a)), together with an

alternative Option 2 (referred to as Option 2 (b)). Option 2 (b) differs from Option 2 (d) in replacing the existing stage with a demountable stage and changing the position of the foyer and other spaces.

5. DEVELOPMENT COST FUNDING

- 5.1 Our Draft Feasibility Study (October 2010) showed a funding scenario for the new build option on the basis of a project cost of around £700,000. We agree with the community's assessment that funding to this level would be unlikely to be possible to source from currently available funding (see below). In this final report, we have therefore provided an indicative scenario for a more modest development (as set out in Section 4 above) at a potential cost of c£300,000, which would meet most of the community's needs and generate increased community usage and benefit.

Principal Funding Sources

- 5.2 **Highland Council** has confirmed that it will keep £95,800 in its capital programme for investment in Cannich Hall (or a replacement hall) following transfer to the community – although “*the Council would need to be certain that it was contributing to a viable project*”. Through a Business Plan developed from the indicative projections in Section 6 below once the hall development project has been specified in detail, both Highland Council and other major funders would be expected to scrutinise both short and longer term viability.
- 5.3 The two other major funding sources for which the development project would be eligible are the Highland LEADER Programme's Community Services and Facilities Measure and the Big Lottery.
- 5.4 **Community Services and Facilities** funding was transferred from the Scottish Rural Development Programme (SRDP) Rural Priorities to Scotland's regional LEADER Programmes in 2009. The Highland LEADER Programme secured an allocation of £2.33 million, ring-fenced for Community Services and Facilities and Collaborative Local Development Strategies. Rates of up to 90% of project costs were available until December 2010, and thereafter the maximum rate will drop to 50% if all funds have not been committed. As it will be well into 2011 before the hall development project could be put forward for LEADER funding, it is possible that the Highland allocation will have been fully committed, but it would be hoped that the Rural Inverness and overall LEADER Programme groups would take time to consider the relative merits of competing major capital projects. Also, it is likely, after 2009 (when 90% was available only for applications made by 29th October) that other community projects will also require partnership funding from the Big Lottery (see below), and major Big Lottery applications might normally take at least 6 months from application to approval. Once all Community Services and Facilities funding has been committed, an application could still be made to the LEADER Programme for a smaller grant towards the capital project (as was the case before the transfer of the Measure from the SRDP). Funding availability from LEADER should be clearer after a meeting of the regional LEADER group on January 17th.
- 5.5 The Big Lottery's most recent **Investing in Communities Programme** was launched in June 2010. The overall funding available up to 2015 is substantial and applications can be made for grants of up to £1 million.
- 5.6 The process involves two application stages, and development funding to take a project to Stage 2 can be awarded with a Stage 1 pass.

- 5.7 The outcomes that the Big Lottery wants to achieve through the Growing Community Assets strand of Investing in Communities are:

Communities work together to own and develop local assets

The membership and management of your group must reflect the local community. We expect you to consult with and involve the wider community at every stage of your project.

Communities are sustainable and improve their economic, environmental and social future through the ownership and development of local assets

You must demonstrate that the asset will be financially self-sustaining, and that you are meeting a demand in your community. We expect you to show how you will minimise your impact on the environment.

Communities develop skills and knowledge through the ownership and development of local assets

Your project should create opportunities for your community to gain new skills through training, volunteering or employment.

Communities overcome disadvantage and inequality through the ownership and development of local assets

You must show how your community has identified a need in your area and how your project will make a difference to this.

- 5.8 The aim is to make communities stronger and more sustainable by helping them to acquire, manage and develop assets, providing quality services and amenities that generate income streams. Development of these assets should improve the social, environmental and economic future of the community. Buildings with a limited focus such as a meeting space or sports provision are unlikely to meet the Big Lottery's outcomes, however, and contact with the Big Lottery suggests that only those aspects of the Cannich hall development that create new spaces for business development, training projects, etc, would be likely to attract funding. However, they advise that a new programme, Community Spaces, is to be introduced early this year, and this might be relevant to the social aspects of the hall development project.
- 5.9 The Big Lottery can award grants of up to 100%, but it is beneficial to maximise partnership funding as competition for GCA funding.
- 5.10 In order to obtain Big Lottery funding, the community would need to own the land on which the hall stands. SSE owns land adjacent to the hall which it currently leases to Highland Council, and, following a request from SACC, it has indicated that it would make the land that might be required to extend the hall or build a new structure available to the community.
- 5.11 It is very beneficial in applying to major funders to demonstrate community commitment through local fundraising and securing funding from Trusts, donations, sponsorship, legacies, etc, and (where appropriate) through contributions in-kind. Ideally, at least 10% of project costs would be raised in such ways. Also, such funding (subject to the funder's agreement) can potentially be used towards early years operating costs to help a new facility to generate usage.

- 5.12 Awards from Grant Making Trusts can vary greatly in scale, and it is important to target applications on the criteria given by Trusts – drawing from precedents (e.g. other village hall projects that have received grants from specific trusts). The SCVO advise on relevant Trusts through Rural Direct, and relevant sources for this project could include the Gannochy Trust, the Garfield Weston Foundation, Lankelly Chase Foundation, Lloyds TSB Foundation for Scotland, the Robertson Trust, the Trusthouse Charitable Foundation, and the Co-Op Community Fund.
- 5.13 Renewable energy community benefit funding (e.g. from a local windfarm development) could contribute towards capital costs if such funding were to be available for Cannich by the time that funding for the project is being sought, or if the development is phased. Also, such funding could contribute towards future hall operating costs (see Section 6 below).

Funding Scenario

- 5.14 A £300,000 development project (Option 1(c)) might be funded as follows:

	£	
Highland Council	95,800	
LEADER	100,000	
Trusts, etc	40,000	
Local Fundraising	14,200	
Other Funding	50,000	
	£300,000	<i>(inclusive of VAT)</i>

- 5.15 “Other Funding” would include any funding available from future Big Lottery programmes as well as from current programmes. Continuing liaison with the Big Lottery is recommended. If the forthcoming Community Spaces programme is suitable, it might be possible to increase the scale and scope of the initial development project beyond the indicative £300,000 budget given above.

6. INCOME AND EXPENDITURE PROJECTIONS

- 6.1 Realistic operating income and expenditure projections that demonstrate annual viability will be very important for SACC to produce, both to reassure the community that the future operation of an improved hall will be sustainable and to support funding applications.
- 6.2 The indicative projections below are at 2010 prices, net of VAT (which would not be chargeable to users), and are generally rounded to the nearest £100. The figures relate to “Year 3” of operation, and should be taken to represent annual hall operation over the first five or so years following the development project. It could take time to build up certain uses, but Year 1 – the launch of the significantly improved hall – should capture the community’s attention and promote relatively high initial usage, and Years 1 and 2 together might average out at around the Year 3 income / expenditure balance. Notes to the projections give the main assumptions. The projections take account of recent years’ operating experience, new uses recently established or planned, the initial projections of SACC for operating the current hall, the experience of halls elsewhere, and our consultation.
- 6.3 Once SACC, in consultation with potential funders, has drawn up a development scenario (i.e. has modified our indicative scenario given in Section 5 as necessary), and has gained further operational experience, the indicative projections below should be updated accordingly.

Year 3 Income Projections

	£
School PE Sessions	300
Main Hall Group Lets – Full Rate	1,750
Main Hall Group Lets – Concessionary Rate	4,200
Commercial Hall Hires	500
Community Room Lets	2,000
Kitchen Only Lets and Catering Surplus	200
Surplus from Promoted Events	100
Highland Council Grant	1,000
Surplus from Public Toilets Provision	1,000
Annual Fundraising	2,000
Surplus from other SACC Activities	450
Miscellaneous Income	-
Total	£12,500

Year 3 Expenditure Projections

	£
Staff Costs	2,500
Volunteer Expenses	1,000
Heating, Light & Power	2,500
Water Charges	500
Rates	-
Office Costs	500
Marketing / Website	500
Insurance	1,000
Cleaning Materials	200
Repairs & Maintenance	1,000
Furniture & Equipment	300
Accountancy, Audit & Other Professional Fees	1,000
Licences	100
Fire Extinguisher Services	100
Miscellaneous Costs	300
Total	£11,500

Notes on the Income Projections

School PE Sessions

This charge is based on current usage as follows: 1.25 hours x 39 weeks x £6 = £292.50.

Main Hall Group Lets – Full Rate

The average let rate is based on £14 per hour (including kitchen use), although people with pre-arranged lets of an hour could extend this to an hour and a half and those with lets of two hours to three hours at no extra charge (at the Committee's discretion) if there is no subsequent booking. The improved hall should be attractive for birthday and other parties. Yoga sessions currently bring in £707 per annum (1.75 hours x £11.55 x 35 weeks).

Assumptions (annual):

2 hours x 1 per week x £14 per hour x 38 weeks = £1,050

1 hour x 1 per week x £14 x 50 weeks = £700

Main Hall – Concessionary Rate

The average let rate for young people's activities and groups such as the bowling club comprising mainly pensioners (and other groups at the Committee's discretion) is based on £7 per hour (including kitchen use). Currently, the bowling club's usage (including the kitchen) brings in £475 per annum, and youth club usage £1,783 per annum. New junior activities that have been, or are being, introduced include football, shinty, short tennis, and running club.

Assumptions (annual):

2 hours x 6 per week x £7 x 50 weeks = £4,200

Commercial Hall Hires

Rates would vary by user and length of use, and lets could include commercial or fundraising sales, events, exhibitions, courses that require the whole hall, etc.

Community Room Lets

Community group meetings or activities would be charged at an average of £4 per hour (including use of the kitchen) – although unfunded groups working for community benefit would not be charged.

Assumptions (annual):

5 hours per week x £4 x 50 = £1,000

The room would also be let for full (or half) days for training courses (e.g. IT-related) and other commercial or semi-commercial uses (e.g. as a base for a temporary project officer or a small exhibition).

Assumptions (annual):

20 day equivalents x £50 per day = £1,000

Small groups using part of the main hall when it is not otherwise in use are included in these community room let projections.

Kitchen Only Lets and Catering Surplus

This would include bookings for external catering, surplus from coffee vending machines, etc.

Surplus from Promoted Events

Musical and other events could be promoted throughout the year, including during the tourist season. In the main, and on average, the events would only cover their costs (including ad-hoc event marketing).

Highland Council Grant

The Council has indicated the availability of an annual Community Hall grant of £1,000.

Surplus from Public Toilets Provision

Participation in the Highland Comfort Scheme (see 6.5-6.6 below) might generate a surplus of c£1,000 per annum net of cleaning, water and other costs. Providing public toilets would also help to familiarise people with the hall (residents and visitors).

Annual Fundraising

This would mainly comprise the surpluses from major fundraising dances, concerts, etc in the main hall, together with car boot sales in the car park, etc. The scope for such events in a small community is limited as other groups would wish to use the hall for their own similar fundraising events.

Surplus from Other SACC Activities

It is assumed that SACC (or a subsidiary) would operate as a multi-functional community enterprise, developing projects (which need not use the hall) that would be funded by a variety of sources or generate earned income that would enable an annual surplus (which would vary from year-to-year) to be allocated towards the hall's annual expenses. A modest level is assumed initially.

Renewable Energy Community Benefit Payments

No income from such sources has been assumed at this stage, but there is a good prospect in a few years time, with the number of windfarm projects planned for the wider area in particular, that substantial annual funding could become available to support halls and other community projects. Windfarm revenues will be secure for at least 25 years.

Notes on the Expenditure Projections

Staff Costs

This is an allowance to support volunteer staffing, and could vary (up or down) depending on annual income achieved.

Staff functions will include management, administration, caretaking, website updating, cleaning (including the windows) and minor repairs and maintenance. Groups using the hall would be expected to clear up for the next user, set out their own equipment (e.g. tables and chairs, badminton net), etc.

Volunteer Expenses

This allowance covers out-of-pocket expenses. Volunteer training (e.g. through SCVO courses) will be important, but this would normally be through free or grant-aided courses.

Heating, Light & Power

This is a provisional budget figure / target. The UK Government's Renewable Heat Incentive (expected to be launched in June 2011) will provide financial support for communities and businesses switching to renewables such as wood fuel.

Water Charges

The hall could qualify for 100% relief as its projected income is below the water rate exception limit of £60,000 introduced in April 2010. However, a payment slightly higher than the recent figure of £420 to reflect additional usage through greater hall usage is assumed (excluding public toilets use).

Rates

Charities are entitled to 80% relief where a property is occupied by the charity and is wholly or mainly used for charitable purposes. Highland Council has discretion to give further relief up to 100%, and this is assumed (as for most other community facilities in Highland).

Office Costs

These cover computing, printing, postage, telephone, etc.

Marketing / Website

Promoting the new facility and activities will be important, and a budget of £500 per annum has been allocated. SACC has recently obtained £2,000 from the Ward Discretionary Budget to develop a website.

Insurance

This covers buildings and contents insurance, public liability and employers' liability.

Cleaning Materials

This is a budget allowance. Potential general public use of the toilets (see 6.5 below) is not included.

Repairs & Maintenance

This is a budget allowance for employing tradesmen or replacing a major item. Such expense should be low in the early years.

Furniture & Equipment

It is useful to have a budget for buying new equipment for new or expanded activities – although user groups would generally supply their own equipment.

Professional Fees

It is assumed that SACC's accounts and the Hall's accounts would be combined.

Licences

This mainly relates to the performing rights licence.

- 6.4 The projected **annual surplus of £1,000** would be allocated towards long term maintenance – i.e. if it becomes necessary after (say) ten years to undertake a major repair, this could be funded.

Potential Partnerships

- 6.5 Highland Council has recently introduced a “Highland Comfort Scheme” which can pay £200-£300 per month to businesses or communities to make their toilet facilities available to the public. To qualify for the full £300 per month, the following would be required.
- Adequate signage both internal and external to advertise the facility.
 - Hot and cold running water to wash hand basins.
 - Adequate provision for soap.
 - Adequate provision for hand drying.
 - Disabled person accessible toilets complying with the Disability Discrimination Act.
 - Fully equipped baby change facilities for unisex use.
- 6.6 Potential net annual income from such an arrangement has been assumed at £1,000 per annum.
- 6.7 Communications with the Highlands and Islands Fire & Rescue Service suggest that it might be possible to offer facilities within a new hall to complement the adjacent fire station building, e.g. for training, changing, etc. This would either create a new income stream or become a miscellaneous let.
- 6.8 Also, there could be scope to offer doctor's surgery facilities if the Nurse's House is converted for other uses (e.g. affordable housing). SACC is pursuing this project.

7. OPERATIONAL ISSUES

- 7.1 The main uncertainties, currently, relate to how successful SACC will be in increasing revenues further and reducing heating costs once it takes over the current hall from the Council.
- 7.2 If the hall could not be kept open all year on viability grounds, it would be a challenge to recover and grow usage in an improved hall, as well as not having evidence of growing usage and interest to support funding applications.
- 7.3 Once the improved hall is available, usage will inevitably vary from year to year to an extent and it will be important to retain strong volunteer commitment.
- 7.4 Involving as many members of the community as possible in helping to run the hall is recommended, and a charged membership scheme could promote this – i.e. individuals or families might pay (e.g. £40 per year) to become members, with a possible discount on bookings, playing badminton, etc; having free use of the kitchen, etc.
- 7.5 Responsible groups could be given keys to the hall to save on caretaking time, although a final check every night is recommended.
- 7.6 The Youth Club and Active Schools are given free use of the hall currently, and it might be necessary for youth groups to fundraise separately in order to afford the concessionary hall letting rates targeted in Section 6 above – although, if groups have good participant numbers, a charge per participant of 50p-£1 should cover the hire costs of a much improved facility.

8. SOCIAL, ECONOMIC AND ENVIRONMENTAL BENEFITS

8.1 The benefits to the community (and visitors) from an improved and more flexible hall can be summarised as follows.

Social Benefits

- Role in maintaining / increasing the local population through providing a multi-purpose facility, with an increase in activity options.
- Role in providing for young people – to help encourage them to live and work locally after completing their education.
- Increasing opportunities for socialising, which can be particularly valuable for non-working parents, older people and other people living on their own.
- More local opportunities to attend and participate in artistic events, with more social events such as dances throughout the year.

Economic Benefits

- The hall a potential base and support facility for SACC, individuals, groups and new businesses (e.g. in the creative sector) to establish new initiatives.
- Potential catalyst for other business development in the village.
- Employment in looking after and maintaining the hall (though limited by income).
- Construction work on the hall development project for local contractors, sub-contractors and / or employees.
- Exhibition space for local arts, crafts, produce, etc.
- Possible use of local timber as fuel.

Environmental Benefits

- More energy efficient than the current building.
- Scope to promote walking and other local outdoor activities, with health and fitness benefits.
- Savings on residents travelling by car to halls in other communities.
- Removal of the asbestos in the hall's projection room.

9. NEXT STEPS

9.1 Following confirmation by SACC that the preferred development option outlined and indicatively costed in this report is to be taken forward once the hall is in community ownership, the project would be progressed through:

- Producing a summary of the proposal for the community and initial discussions with potential funders, with associated drawings.
- Sourcing funding for professional assistance to help SACC to take the project to funding and planning application stages.
- Liaison with potential major funding sources.
- Fundraising from trusts, businesses, other potential donors, etc.
- Local fundraising events (which will also be required to support the current hall's operation).
- Forming an SACC sub-committee to focus on the key steps above and allocate responsibilities for each task.
- Liaising with other organisations that might share or require extra space, with potential implications for the scale and configuration of the building (either through the initial development project or a later phase).
- Modifying cost and revenue projections as information becomes available, new grant schemes are introduced, etc.
- Appointing a project manager once funding has been secured.

Appendix 1 - Cannich and Strathglass Data Zone

