

Item: 03

Community Development Fund Sub Committee – 6 November 2023

Application Number 0/5/8/85.

North Ronaldsay Trust – Trebb |Community Resource Hub.

Report by Corporate Director for Enterprise and Sustainable Regeneration.

1. Purpose of Report

To consider an application from North Ronaldsay Trust for assistance towards Phase 1 of the Community Resource Hub at Trebb, comprising construction of a well-being centre, meeting room and office space.

2. Recommendations

The Sub-committee is invited to note:

2.1.

That North Ronaldsay Trust has applied for assistance from the Community Development Fund towards Phase 1 of the Community Resource Hub, comprising renovation of the derelict house at Trebb to create a flat on the first floor and a gym, well-being centre, flexible office space, meeting room, kitchen and toilets on the ground floor, at a total estimated cost of £628,445.

2.2.

That messages of support have been received from the undernoted:

- North Ronaldsay Community Council.
- A North Isles Councillor.

It is recommended:

2.3.

That, subject to the full funding package for Phase 1 of the project being in place, a grant of up to 16% of total eligible costs, up to a maximum sum of £100,000, to be met from the Community Development Fund, be offered to North Ronaldsay Trust towards Phase 1 of the Community Resource Hub at Trebb.

2.4.

That powers be delegated to the Corporate Director for Enterprise and Sustainable Regeneration, in consultation with the Head of Legal and Governance, to determine whether appropriate security can be put in place and to conclude an Agreement, on the Council's standard terms and conditions, with North Ronaldsay Trust in respect of the funding detailed at paragraph 2.3 above.

3. Background.

3.1.

The North Ronaldsay Trust was established in 2000 and is a Company Limited by Guarantee with charitable status. The Trust is run by a board of eight Board members local to or originally from the island of North Ronaldsay. The Trust has been involved with the delivery of several complicated island developments in the past which also comprised complicated funding packages and difficult timescales.

3.2.

The North Ronaldsay Trust has several objects and powers included within its constitution to benefit the North Ronaldsay community including relieving poverty, providing help for the aged, disabled and infirm and community education, particularly to promote opportunities for learning for the benefit of the general public. This includes a remit to establish, maintain, develop and operate a centre or centres providing facilities for business, childcare, community learning, healthy living initiatives, educational and cultural activities, training activities, leisure, pursuits and accommodation for community groups and for public sector agencies which provide services or benefits to the community and which may include refreshment facilities.

3.3.

During the island community consultation phase to determine the Island Development Plan for North Ronaldsay, the importance of the provision of recreation facilities was generally highlighted as important for enhancing the quality of life on the island as well as addressing the lack of housing and available office space. As a result of the consultation this aspiration was included in the Island Development Plan.

3.4.

The house and land at Trebb was purchased by the Trust with support from the Scottish Land Fund and funding plans were formulated. The Trust applied to the Scottish Government's Regeneration Capital Grant Fund 2022/23 (RCGF) and was granted the total sum of £985,460 towards 'The Pund' Trebb Community Resource Hub. This project consists of two phases the first of which, excluding the housing element, is seeking CDF support. The second phase includes the building of a new woollen mill and a meat larder and a full funding package is still being explored.

3.5.

The full project has a complex funding model that is still to be fully confirmed for phase 2 but RCGF officers have accepted the two phase approach during recent meetings that seeking to ensure the previously committed funding could be rolled over to the current year. The contribution from the RCGF award towards phase 1 is £378,445 as outlined in the funding table at section 4.3 below. The total cost of both phases of the project is £1,894,079.

3.6.

Any award made from the CDF will require to consider whether there is an appropriate security in place and be conditional on a full funding package for the phase 1 project costs being confirmed.

4. Project Proposal

4.1.

The North Ronaldsay Trust purchased the two-storey building and land at Trebb, North Ronaldsay and wish to renovate the house as phase 1 of the project to create a flat on the first floor, which is ineligible for support from the Community Development Fund. The Trust also wish to create on the ground floor a gym a well-being centre, flexible office space, meeting room with kitchen area and toilet. It is this latter element of the Phase 1 for which the Trust is applying to the Community Development Fund for support.

4.2.

The works at the building at Trebb, North Ronaldsay which have been awarded planning permission include the following:

- The renovation of the ground floor of the building to create a Gym and well-being centre which includes access to toilets and shower.
- The renovation of the ground floor of the building to create meeting rooms, flexible office space with kitchen area and toilet.
- The renovation of the first storey of the building to create a flat (ineligible).

4.3.

The project costs have been determined by a quantity surveyor. The proposed funding arrangements, are outlined below (exclusive of VAT as North Ronaldsay Trust is VAT registered):

Trebb funding position.	Phase 1			
Funder.	Housing	Gym and Wellbeing	Office and Meeting Room	Total
RCGF.	N/A	£159,250	£219,195	£378,445
Rural and Islands Housing Fund.	£110,000	N/A	N/A	£110,000
Community Dev Fund - Trebb.	N/A	£50,000	£50,000	£100,000
Sports Scotland.	N/A	£50,000	£0.00	£50,000
Orkney Islands Council Housing Fund.	£40,000	N/A	N/A	£40,000
CARES Lets Do Net Zero Community Buildings.	£24,000	N/A	N/A	£24,000
Highlands and Islands Enterprise (HIE).	N/A	£25,000	£25,000	£50,000
DTAS Green Shoots.	£10,000	£0.00	£0.00	£10,000
OIC Crown Estate CLLD funding.	N/A	£25,000	£25,000	£50,000
Funds raised by community.	£2,445	£0.00	£0.00	£2,445
Total Funding.	£186,445	£309,250	£319,195	£814,890
Project cost.	£186,445		£628,445	£814,890
Shortfall.	£0.00		£0.00	£0.00

It should be noted that, apart from RCGF and HIE, all funders are still to confirm funds. The Trust has had positive conversations with all prospective funders.

4.4.

An award from the Community Development Fund has the opportunity to help attract a considerable amount of external match funding into North Ronaldsay for this project. Of the funding sources still to confirm approval, the Trust has a high level of confidence of success.

4.5.

There is a considerable degree of urgency regarding the project timing as the RCGF funding has to be passed to the Council in full by 31 March 2024, with full disbursement of funds by March 2025. The contractor also has to be on site and working towards and starting work by November this year in order to make the completion deadline. The urgency of this situation is heightened as winter creates challenges for material deliveries and safe storage.

4.6.

The North Ronaldsay Development Trust will continue to maintain and promote the new facilities once the project is complete and promote the project and its funding through its website and social media presence.

5. Project Appraisal

5.1.

The project proposal submitted in the application is accompanied by the island development plan and confirms the intention that the project is for the use of the community and visitors to the island.

5.2.

Letters of support in relation to this project have been received from the following group and individual:

- North Ronaldsay Community Council.
- A North Isles Councillor.

5.3.

The Community Development Fund and its predecessor, the Community Development Fund for the New Millennium, have supported a wide range of development projects involving sports and recreation and community facilities.

5.4.

With regard to North Ronaldsay Trust's application, the following is an assessment and evaluation against each of the approved assessment and evaluation criteria:

5.4.1. Evidence of need

- North Ronaldsay Trust updated the Island Development Plan in 2022. This plan identifies availability of housing as an issue on the island with North Ronaldsay having a higher percentage of second and holiday homes and old vacant properties than Mainland Orkney or Scotland with 49% of the housing stock built before 1919. Although the creation of a flat which is part of phase 1 is ineligible for CDF funding it constitutes a valuable addition to help address the housing shortage.
- The Pund Project Business Plan which underwent wide community consultation, identifies community well-being as being a vital part of improving the quality of life on the island and encouraging people to return to the isle or chose to live on the island. This project will create a gathering place and facility to become involved in meaningful activities which will improve health and wellbeing as well as assist to mitigate social isolation.

5.4.2. Achievability

- The North Ronaldsay Trust is run by a volunteer committee of eight board members, who possess a wide range of skills and experience to carry through the project. The Trust also has a Community Development Manager who will oversee the progress of this project along with a project management team.
- Members of the Trust and committee have been involved in the coordination of previous projects, which received funding from various sources involving complicated funding packages and these projects remain in operation to date.

5.4.3. Sustainability

- The project aim is to help sustain and enhance opportunities in North Ronaldsay across various elements of island life; recreation, work and social interaction. By gathering these opportunities under one roof the project can benefit from energy efficiencies and overall cost management and facility management. It is envisaged that this project will be self-sustaining via the hire fees charged for usage. The existence of this facility will provide an opportunity for current and future generations to work remotely and engage in social activities. This project will help support future island developments.
- The existence of this facility will provide an opportunity for current and future generations to work remotely and engage in social activities. This project will help support future island developments and therefore the future sustainability of the island.

5.4.4. Serving the local public and having lasting benefits

- This initial phase of The Pund project will benefit the North Ronaldsay community through improving the accessibility of recreational facilities and community space which will provide enjoyment and communal space for generations of local people to utilise. The Trust will run the facility and promote it through the media channels of the Trust.
- The project will provide enhanced social and well-being opportunities to the whole community as well as facilities to hot desk and work remotely.

5.4.5. Opportunities provided or upgraded

- The project seeks to create two new community assets, a gym and wellbeing centre, flexible office space and meeting room. The various facets of this project have been designed to be as cost effective and beneficial as possible to all existing and future members of the community of North Ronaldsay.
- The new facilities will assist in raising the profile of North Ronaldsay as a place to live and visit. In addition, the facilities will provide new opportunities for community participation and recreation within the island as well as office and meeting space.

5.4.6. Enriching quality of life

- This project will provide the facilities to enable the community to socialise and encourage participation in activities which will promote health and wellbeing. The facility will be open to as wide a demographic as possible and will help encourage a healthy lifestyle within the community and provide new social opportunities for individuals, families and visitors to North Ronaldsay.

5.4.7. Value for money

- Project costs have been identified through completion of competitive tender for the various works contained within this project, ensuring best value for money.

5.4.8. Partnership funding

- Highlands and Islands Enterprise has agreed to provide grant support up to £50,000 for Phase 1 with a further £45,000 committed to phase 2.
- An application to DTAS Green Shoots for £10,000 will be submitted in due course, however, requires other funds to be committed.
- An application to OIC Crown Estate Community Local Led Development Fund will be submitted requesting £50,000 towards phase 1. This fund is classed as external funding.
- Volunteer time from members of the community of up to 180 hours, has also been identified. This demonstrates strong local support for the project as well as fund raising which is continuing.
- There is the potential of securing funding amounting to £250,000 from the Community Ownership Fund. This will make a significant reduction of the deficit identified for phase 2 with the majority of funding decisions expected in December.

6. Corporate Governance

This report relates to the Council complying with governance and procedural issues and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

7. Financial Implications

7.1.

In December 2022, a further £1,000,000 was allocated to the Community Development Fund, with £100,000 ring fenced for Community Councils.

7.2.

At present there is sufficient budget within the 2023 Community Development Fund tranche to consider this project.

7.3.

Although phase 1 of this project is not expected to have a shortfall if this application is approved it is acknowledged that at this point there is a projected funding shortfall for phase 2 of up to £318,343 subject to funding decisions. This has been communicated to RCGF and additional funding may be still considered from RGCF subject to funding confirmation in December. If this shortfall cannot be bridged then programme of works may need to be curtailed and specification for the second phase revisited.

8. Legal Aspects

8.1.

Subject to section 8.3, there are no legal constraints to the recommendations in this report being implemented and the relevant powers are contained in section 20 of the Local Government in Scotland Act 2003.

8.2.

If grant assistance is to be provided by the Council, a legally-binding agreement will require to be entered into between the Council and the recipient setting out the terms on which the funding is being provided.

8.3.

Any financial assistance provided by the Council will need to be assessed to determine if the financial assistance proposed meets the definition of a subsidy under section 2 of the Subsidy Control Act 2022 (the 2022 Act). If it is determined that the financial assistance is a subsidy, then it will need to be provided in a manner compliant with the provisions of the 2022 Act.

9. Contact Officers

Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration, Extension 2103, Email gareth.waterson@orkney.gov.uk

Sweyn Johnston, Head of Enterprise and Economic Growth, extension 2348, Email sweyn.johnston@orkney.gov.uk

Stuart Allison, Service Manager (Enterprise), extension 2514, Email stuart.allison@orkney.gov.uk

Morag Robertson, Economic Development Officer, Extension 2852, Email morag.robertson@orkney.gov.uk