

## **Item: 5**

**Community Development Fund Sub-committee: 24 October 2022.**

**Application Number 0/5/8/3.**

**Shapinsay Development Trust.**

**Redevelopment of Shapinsay Smithy.**

**Report by Corporate Director for Enterprise and Sustainable  
Regeneration.**

### **1. Purpose of Report**

To consider an application from Shapinsay Development Trust for assistance towards redevelopment of the Shapinsay Smithy.

### **2. Recommendations**

The Sub-committee is invited to note:

#### **2.1.**

That Shapinsay Development Trust has applied for assistance from the Community Development Fund towards redevelopment of the Shapinsay Smithy, at a total estimated eligible cost of £230,716.

#### **2.2.**

That Shapinsay Development Trust is contributing £11,536 of its resources towards the project.

#### **2.3.**

That the North Isles Landscape Partnership Scheme has identified redevelopment of the Shapinsay Smithy as a project to potentially support and has provided a grant allocation of £107,241 towards the project.

#### **2.4.**

That a message of support has been received from Shapinsay Community Council.

**It is recommended:**

## **2.5.**

That a grant amounting to 31.2% of total eligible costs, up to a maximum sum of £71,939, to be met from the Community Development Fund, be offered to Shapinsay Development Trust towards redevelopment of Shapinsay Smithy.

## **2.6.**

That powers be delegated to the Corporate Director for Enterprise and Sustainable Regeneration, in consultation with the Solicitor to the Council, to conclude an Agreement, on the Council's standard terms and conditions, with Shapinsay Development Trust in respect of the funding, detailed at paragraph 2.5 above.

# **3. Background**

## **3.1.**

Shapinsay Development Trust (SDT) is a registered charity (number SC034818). The main objective of SDT is to provide support to the community through projects such as Transport, Affordable Housing, Grant Assistance, Wellbeing Support, provide facility to groups, Support Carers project for residents, Support to residents for the most vulnerable. All income generated is invested within the island. SDT currently has a board membership totalling eight residents.

## **3.2.**

The Smithy is an iconic building, located in the heart of Balfour village in Shapinsay. It was previously owned by the Council and had been leased to various parties, including Shapinsay Community Council, in recent years. Factors such as ferry times, high heating costs, and lease constraints, have impacted on the ability of the Smithy to be a productive building for the community to utilise. This has resulted in the café element being closed since 2018 and the upstairs heritage centre closed since the start of the first COVID-19 lockdown in March 2020.

## **3.3.**

On 4 October 2021, SDT secured grant assistance from the Community Development Fund of up to £2,240, amounting to 24.1% of eligible project costs, towards a feasibility study into exploring the potential purchase of the Shapinsay Smithy.

### **3.3.1.**

The community consultation element of the feasibility study identified that the acquisition and subsequent redevelopment of the Smithy was a priority to the local community.

### **3.4.**

During the initial consultation phase of the North Isles Landscape Partnership Scheme (NILPS), the important role and value of heritage centres in the North Isles was identified and a range of projects were included for delivery in the NILPS programme to enable heritage centres to realise their potential and ambition.

#### **3.4.1.**

On 26 November 2019, when considering eligibility of projects funded by the North Isles Landscape Partnership Scheme in applying for grants from the Community Development Fund, and other Council funding, the Policy and Resources Committee recommended:

- That community-led projects which had previously secured part-funding from the North Isles Landscape Partnership Scheme be considered eligible to seek co-funding from other Council funding streams, including the Community Development Fund.

### **3.5.**

SDT acquired the Smithy from the Council through a Community Asset Transfer in March 2022. The feasibility study, co-ordinated by an external consultant, enabled SDT to explore and consider the best options available to them to make the Smithy an accessible and inclusive community facility. The SDT board has subsequently reviewed these options and a defined list of works has been agreed and costs fully identified that will see the Smithy used to its maximum potential, ensuring that the facility is appealing to both visitors and locals to the island.

## **4. Project Proposal**

### **4.1.**

The overall project aim is to redevelop the Smithy into a Heritage Centre and Community Cafe to enhance the facility for visitors and locals alike. Historically the previous facility was unsustainable due to the condition of the property and energy bills. The project proposal includes an upgrade downstairs to create a community café space for locals and visitors. Upstairs will include a new heritage centre with toilet and office facilities. There will also be the provision of new outdoor seating next to the Smithy. This redevelopment intends to create a much-needed enhanced visitor experience, as well as an area locals can utilise. A layout plan of the proposals is attached as Appendix 1 to this report.

### **4.2.**

The redevelopment proposal includes the following:

- Stripping the building back to the exterior walls.
- Installation of wall and roof insulation and damp proofing.
- Installation of air-to-air source heat pump.
- Installation of LED lighting.

- Enhancement of downstairs café space and kitchen into a 30-40 seat area.
- Installation of new bathroom and office area.
- Installation of accessible hatch to the roof for extra storage.
- Enhancement of internal and external staircases.
- Provision of outdoor seating and space for a marquee.
- Enhancement of heritage centre, including installation of modern display units.

### 4.3.

This project has been designed with the local community and visitors to the island in mind. SDT has acknowledged the importance of this building to the local community through securing the asset, as well as ensuring the local community are engaged and supportive of the proposals outlined in section 4.2. above. SDT anticipate that the enhanced facility will encourage more community use and enjoyment of the facility, providing uses for the building which are currently unavailable anywhere on the island.

### 4.4.

The project costs and proposed funding arrangements are outlined in the table below (inclusive of VAT as SDT is not VAT registered):

<b>Project Details.</b>	<b>Cost.</b>
Building costs.	£197,298.
Equipment costs.	£21,718.
Professional fees.	£11,700.
<b>Total.</b>	<b>£230,716.</b>
<b>Project Financing.</b>	<b>Amount.</b>
Community Development Fund (31.2%).	£71,939.
North Isles Landscape Partnership Scheme (46.5%)*.	£107,241.
Highlands and Islands Enterprise (17.3%)*.	£40,000.
Shapinsay Development Trust (5%)*.	£11,536.
<b>Total.</b>	<b>£230,716.</b>

\* Confirmed.

### 4.5.

The Community Development Fund has the opportunity to help attract the maximum amount of external match funding through supporting this project. The NILPS has, through development of the Heritage Lottery Fund application and indicative costs provided by SDT, recently approved a budget of £107,241.

#### **4.6.**

Highlands and Islands Enterprise and SDT have already confirmed their match funding towards the project.

#### **4.7.**

The project works will help the SDT to achieve one of its core objectives, of redeveloping an iconic building within the island, providing modern upgrades and ensuring the facility will have a sustainable future. It will also enable SDT to achieve sufficient income through the community café and heritage centre to enable the facility to be available all year, without the risk of closure which has been previously associated with attempts to run the facility as a commercial venture.

#### **4.8.**

SDT will continue to maintain and promote the enhanced facility once the project is complete. The North Isles Landscape Partnership Scheme will also promote the project through its website and social media presence.

### **5. Project Appraisal**

#### **5.1.**

The proposals put forward in the development plan and feasibility study, which accompanies the application, outlines the intention to carry out a series of enhancements to the Smithy. These enhancements will enable the facility to continue to provide an important offering for locals and visitors to enjoy. The project will have a lasting legacy in the form of the physical displays and exhibitions in the heritage centre, as well as the enhanced community café space on the ground floor.

#### **5.2.**

A message of support has been received from Shapinsay Community Council.

#### **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 heritage facilities, including:

- Upgrading of Burray Fossil and Heritage Centre.
- Upgrading of Wyre Community and Heritage Centre.
- Upgrades to Longhope Lifeboat Museum.
- Creation of Heritage and Craft Centre, Papa Westray.

#### **5.4.**

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

#### **5.4.1. Evidence of Need**

- SDT has liaised with the North Isles Landscape Partnership Scheme since the initial community consultations, which provided evidence of local community support and buy-in for the project. Also, one of the main objectives of the Landscape Partnership Scheme programme nationally is the development and retention of knowledge and traditions between generations. This project will help achieve this within the local community of Shapinsay.
- Since the previous café/heritage facility closed over 4 years ago due to high heating costs, the community has been in desperate need for the facility to be reinstated in a model that is sustainable and works for the community and transport links. The Development Trust has held several engagement events such as the five-year development plan, dedicated community surveys and community consultations where the community café/ heritage centre came out as number one priority for the island.

#### **5.4.2. Achievability**

- SDT is run by a committee of seven people who represent a wide demographic within the island population and possess a wide range of skills and experience to carry through the project. SDT has a strong track record delivering on capital projects as well as achieving community outcomes such as The Community Turbine, Hydrogen Electrolyser, Trust building, two Community houses, e-bike Shed, wellbeing projects, as well as the playpark project, part funded by the Community Development Fund.
- The combination of an ambitious and supportive community, a dedicated board and skilled staff and professional support is the main reason why the island is such a success as well as its strong relationships with the local authority and external funders. As such, this project is considered achievable by SDT.

#### **5.4.3. Sustainability**

- The project will help support the long-term sustainability of the Smithy. This is supported by a detailed net zero approach with high levels of insulation, new affordable energy sufficient heating system, LED lighting and damp proofing. SDT has also looked at all current equipment and sourced energy efficient modern additions.
- Maximising the space and creating outdoor seating gives the community facility more flexibility as well as aligning opening times to the Orkney Ferries and out of hours ferry timetables. A seasonal approach will maximise local footfall in the summer but also create a community space in the winter for all locals and groups to enjoy.

#### **5.4.4. Serving the local public and having lasting benefits**

- With SDT undertaking this project it can be delivered with 100% community focus. Opening times, offerings and events will be driven by the local community through regular community events, surveys, online advertising, etc. The facility will create a much-needed space for the community as well as create another vital asset for visitors to enjoy. The café space as well as the heritage centre will ensure

community and cultural longevity for the island. There will also be health benefits as the facility will create a focal point for residents to meet and socialise.

#### **5.4.5. Opportunities provided or upgraded**

- The Smithy is a valuable asset to the island. It has not operated successfully for a number of years now but this project will ensure that it is given the best opportunities for success now that it is under community ownership. There will be part time and seasonal employment opportunities. There is also a great opportunity to use the transport on and off the island to ensure the facility usage is maximised.
- This project has also given SDT a chance to find specific funding to enhance the building, increase energy efficiency, upgrade a vital heritage building as well as digitalise the heritage centre to create a modern facility. There are opportunities to work with Orkney College for training as well as work with groups and schools to offer community cooking classes to ensure important issues such as food poverty and isolation is tackled.

#### **5.4.6. Enriching quality of life**

- The facility will ensure the important Shapinsay heritage is kept and displayed for current and future generations and visitors alike. It gives the residents a much-needed area to meet friends and families which will become increasingly vital post pandemic. There has not been a café facility on the island for some years and the community is extremely excited at the prospect of a community-led initiative and the chance to input into its success.

#### **5.4.7. Value for money**

- SDT has ensured value for money by using a local Quantity Surveyor and architect and revising the project over several phases to get to an achievable point. All tenders have been managed by the Quantity Surveyor and there have been conversations with the contractors on several areas to see where savings can be made without the project standard declining. The energy efficient elements are vital to ensure ongoing running costs are minimalised and it helps the Trust on its journey to net zero.

#### **5.4.8. Partnership funding**

- Significant funding amounting to £106,281 from the North Isles Landscape Partnership Scheme has been secured. As well as this, Highlands and Islands Enterprise has already committed £40,000 towards the project. This demonstrates strong potential support for the project from national funding programmes and the regional development agency, prior to approaching the Community Development Fund.

## **6. Links to Council Plan**

### **6.1.**

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority theme of Thriving Communities.

### **6.2.**

The proposals in this report relate directly to Priority 3.11 – We will review and develop the Empowering Communities Project to create a sustainable model which will enable and empower communities in the delivery of services and projects in their community, of the Council Delivery Plan.

## **7. Links to Local Outcomes Improvement Plan**

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priority of Community Wellbeing.

## **8. Financial Implications**

### **8.1.**

In July 2016, a further £1,000,000 was allocated to the Community Development Fund, with £100,000 ring-fenced for Community Councils.

### **8.2.**

At present there is sufficient budget within the 2016 Community Development Fund tranche to consider this project.

### **8.3.**

The North Isles Landscape Partnership Scheme is a £4,500,000, 5-year programme with various funders making up the funding for its delivery. This includes a financial contribution of up to £282,260 towards the delivery phase costs of the North Isles Landscape Partnership Scheme from the Council's Strategic Reserve Fund as approved in September 2017. In effect, the Council has restricted its financial contribution to the Scheme by establishing a financial ceiling.

### **8.4.**

When approved by the Heritage Lottery Fund in March 2018, the North Isles Landscape Partnership Scheme, which this project sits within, acknowledged that, if an identified funding gap of £480,423 could not be bridged, the programme of works may need to be curtailed. Limited success in applying for additional funding has reduced this funding gap and the community groups co-ordinating projects are actively encouraged to source additional match funding wherever possible. Although the Scheme did refer to a number of possible grant funders, it is notable that this list



did not refer to any other potential sources of Council funding. It is however accepted that this list was indicative rather than exhaustive.

## **8.5.**

The Policy and Resources Committee, on 26 November 2019, recommended that the current cap on Council funding towards the North Isles Landscape Partnership Scheme be removed and that community-led projects which had provisionally secured part-funding from the North Isles Landscape Partnership Scheme be considered eligible to seek co-funding from other Council funding streams, including the Community Development Fund.

## **9. Legal Aspects**

### **9.1.**

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.

### **9.2.**

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.

## **10. Contact Officers**

Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration, extension 2103, Email [gareth.waterson@orkney.gov.uk](mailto:gareth.waterson@orkney.gov.uk).

Sweyn Johnston, Head of Enterprise and Economic Growth, telephone 01856 852271, Email [sweyn.johnston@orkney.gov.uk](mailto:sweyn.johnston@orkney.gov.uk).

Stuart Allison, Service Manager (Enterprise), extension 2507, Email [stuart.allison@orkney.gov.uk](mailto:stuart.allison@orkney.gov.uk).

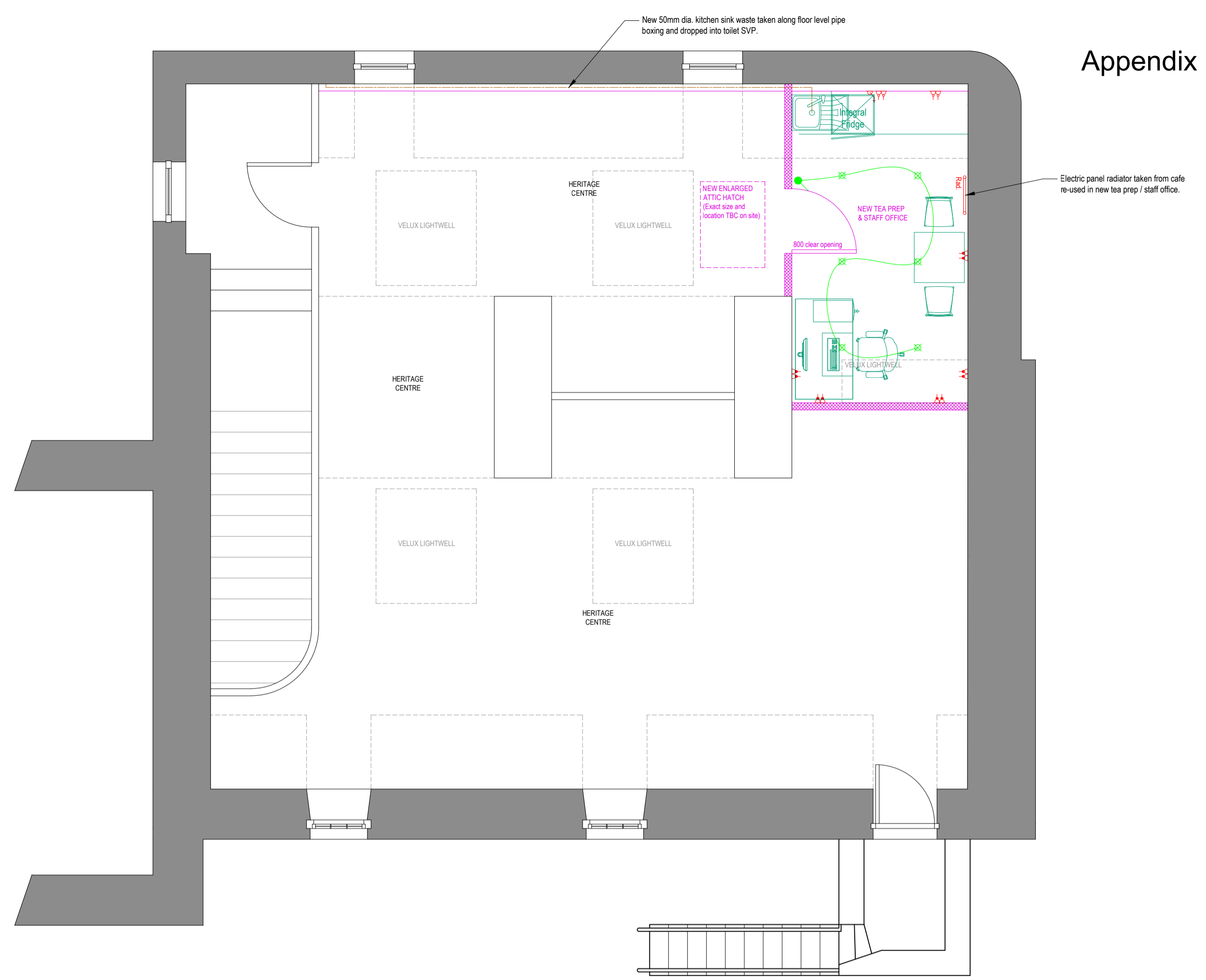
Alister Brown, Economic Development Officer, extension 2512, Email [alister.brown@orkney.gov.uk](mailto:alister.brown@orkney.gov.uk).

## **11. Appendix**

Appendix 1: Layout plan for project works.



PROPOSED GROUND FLOOR PLAN  
1:50 @ A1



PROPOSED FIRST FLOOR PLAN  
1:50 @ A1

EMERGENCY, SAFETY & GENERAL ELECTRICS	
	Non-maintained emergency bulkhead c/w 3hr battery back up
	Fire alarm break glass point
	Maintained over-door emergency bulkhead c/w 3hr battery back up and euro legend
	Maintained ceiling recessed LED downlighter <100mm dia. c/w 3hr emergency battery backup
	IP65 maintained ceiling recessed LED downlighter <100mm dia. c/w 3hr emergency battery backup
	Heat detector c/w sounder
	Smoke detector c/w sounder
	13A twin switched socket outlet mounted @ 450mm above FFL
	13A twin switched socket outlet mounted @ at least 150mm above surface (worktops etc.)
	13A twin switched socket outlet with 2no 5V/2A USB chargers mounted in positions shown @ height to suit tables etc.
	Main BT point (exact location TBC onsite)
	Existing Fire Alarm Panel
	Maintained ceiling mounted single fluorescent light fitting c/w 3hr emergency battery backup
	13A low level outlet c/w worktop level remote switch and neon indicator light.
LIGHTING	
	Ceiling recessed LED downlighter <100mm dia. (dimnable)
	Ceiling mounted PIR sensor
	Ceiling mounted single fluorescent light fitting
	Ceiling mounted LED bulkhead light fitting
	Ceiling mounted extract fan
	1-way light switch
	2-way light switch
HEATING	
	Wall mounted air source heating unit
	Wall mounted air source control unit

**SPECIFICATIONS**

**Electrics**  
All electrical work to be in accordance with The Scottish Building Standards Handbook (Non-Domestic) and be carried out by a qualified and competent engineer.  
All electrical installations to comply with Section 4 and in accordance with Standard 4.5 & 4.8.6 of Scottish Building Standards and to the satisfaction of the Hydro.  
Outlets and controls of electrical fixtures and systems should be positioned at least 350mm from any internal corner, projecting wall or similar obstruction, not more than 1.5m above FFL. This should include fixtures such as sockets, switches and timer controls or programmers. Within the height range: Light switches should be positioned at a height of between 900mm and 1.1m above FFL standard switched or unswitched socket outlets and outlets should be positioned at least 400mm above FFL. Above an obstruction, such as a worktop, fixtures should be at least 150mm above the projecting surface. Fixed lighting to be low energy / LED in accordance with Regulations.  
All sockets and fittings to be in accordance with the Scottish Building Standards Handbook (Non-Domestic)

**Lighting**  
All fixed lighting to be 100% low energy (LED) and in full accordance with Standard 6.5 (Non-Domestic). Artificial and display lighting to be in full accordance with Standard 6.5.1 (Non-Domestic).

**Plumbing**  
Plumbing to comply and in full accordance with Scottish Building Standards (Non-Domestic) Regulations.  
All cold water sinks etc. to be supplied from mains.  
50mm dia. PVC wastes from wash hand basins, kitchen / utility sinks.  
110mm dia. PVC wastes from WC's (existing installations to be re-used as far as practically possible). 110mm dia. PVC soil vent pipes in ducts.  
110mm dia. PVC foul and surface water drainage laid and surrounded by quarry dust in trenches cut to fall where required.  
All sanitaryware to be chosen by customer.

**Smoke Detectors**  
To be in full accordance with Building Standards 2.11.1, 2.11.2 and 2.11.7 and BS 5839: Part 6:2019 / BS EN14604:2005.  
To be mains wired, interlinked and fitted with battery backup.  
To be located in circulation spaces and not more than 7m from the door to a living room or kitchen and not more than 3m from every bedroom door.

**Heating**  
Air-to-Air Heat Pump System.  
Design to be confirmed by Heating Engineer & approved by Building Standards prior to work commencing.  
Heat system control - Time and temperature control programmer located behind bar in cafe.  
Heating system to be in accordance with Standard 6.3.1 and 6.3.4.

**Ventilation**  
All mechanical extraction to comply and be in full accordance with Scottish Building Standard 3.14.5.  
Extract fan outlets to be either wall or ceiling mounted and ducted appropriately.

**TENDER DRAWING ONLY**

**NOTES**  
All dimensions are in mm and are to the/they/

**CLIENT:**  
Shapinsay Development Trust

**PROJECT:**  
Proposed Refurbishment at The Smithy Balfour Shapinsay Orkney KW17 2DZ

**DRAWING:**  
Proposed Services / Electrical Plans

Drawing No: SDT/0023/

**SCALE:**  
AS SHOWN @ A1

**DATE:**  
27.05.2022

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