



Nairn Improvement Community Enterprise Feasibility Study of Future Possibilities for the Old Social Work Building July 2013

Company Registered in Scotland No 388110

Registered Charity No SC042118

Registered Office: Drumdelnies, by Nairn, IV12 5NT

Contents

1	Executive Summary.....	4
1.1	Background	4
1.2	Consultation	4
1.3	Recommendations for the Use of the Old Social Work Building	5
1.4	Renovation Costs and Running Costs.....	5
1.5	Economic Impact Assessment.....	5
1.6	Conclusions and Recommendations	6
2	Acknowledgements.....	6
3	Nairn Improvement Community Enterprise (“NICE”) - Background.....	7
4	Aims & Objectives of the Feasibility Study	8
5	Nairn Context	8
6	The Setting of the Building – The Wider Vision	9
7	Public Consultation	10
7.1	Business and Community Consultation	10
7.1.1	Methodology.....	10
7.1.2	Results.....	11
7.2	Consultation with Public Bodies	12
7.2.1	VisitScotland.....	12
7.2.2	Highland Council	14
7.2.3	Nairn’s Elected Councillors	14
7.2.4	Community Councils	15
7.3	Public Meeting	15
7.4	Summary of Public Consultation.....	15
8	Possible Uses of Building.....	15
9	Business Risk Register	17
10	Building Structural Condition & Refurbishment Costs.....	17
11	SWOT Analysis.....	18
12	Economic Impact Assessment.....	18
12.1	Economic Impact - Visitor Expenditure.....	19
12.1.1	Scenario One	19
12.1.2	Scenario Two	20
12.1.3	Scenario Three	20
12.2	Economic Impact – Employment	20

12.3	Economic Impact – Construction Costs.....	21
13	Legal Matters	21
13.1	The Company	21
13.2	The Right to Buy	22
13.3	The Purchase Price	23
13.4	The Legal Title	24
14	Budget Considerations.....	24
15	Next Steps – The Project Definition Phase.....	25
16	Conclusions	26
	Appendix A - Directors CVs	27
	Appendix B - Nairn Population and Demographic Statistics.....	31
	Appendix C - Survey Results in Detail	33
	Appendix D - Correspondence with Highland Council.....	52
	Appendix E - Business Risk Register	55
	Appendix F - Surveyors Structural Report.....	60
	Appendix G - Quantity Surveyor’s estimate of refurbishment costs	73
	Appendix H - Scottish Government Recognition Under Right to Buy.....	75
	Appendix I - Independent Property Valuation Report.....	76

1 Executive Summary

1.1 Background

Nairn is located in the Highlands of Scotland, about 16 miles to the east of Inverness. The town is best known as a seaside resort, with its reputation for this having developed during the Victorian era. Its popularity has dwindled in recent years, but it is still a popular destination for visitors and it is increasingly seeking to become recognised as a place in which key events take place with a number of festivals and other events being based in the town. The town also offers an excellent base from which to explore the Highlands. The natural, built and cultural heritage of Nairnshire is exceptional, combining rich habitat, fine landscapes and resources for recreation, historical research and family history research.

NICE, Nairn Improvement Community Enterprise, was set up in 2010, becoming a Community Development Trust in 2012. It has gained recognition from Scottish Government as a “Community Body” under the Land Reform (Scotland) Act 2003, which enshrines the Community Right to Buy.

NICE produced a “Vision for Nairn” in 2012. The Vision was developed to support the redevelopment of Nairn as a whole and with the expectation that development would be undertaken in small “bite-sized” chunks. NICE currently has over 1000 members, all of whom have confirmed in writing that they support NICE’s aims and objectives as outlined in the Vision for Nairn.

Through the process of preparing the Vision it became clear that the community of Nairn shared a common purpose – to improve the central car parking area and develop it into a recognisable town centre. It was felt this would be a suitable starting point for longer-term ambitions to deliver on a “Vision for Nairn”. Improvement of the town centre would not only bring direct benefits to local residents, but would also increase the attractiveness of Nairn to visitors, which could in turn help regenerate tourism and general business activity. NICE identified the building known as the Old Social Work Building as key to taking the Vision forward. This Feasibility Study looks at the potential for the Old Social Work building to be put to sustainable use for the benefit of the community as a “Gateway” for visitors to Nairn’s town centre, High Street, its shops, and beyond.

1.2 Consultation

A considerable amount of consultation was carried out in the preparation of this Feasibility Study, including a number of surveys and interviews. Opinion of Nairnshire residents, visitors, local businesses and relevant public bodies and agencies was canvassed as part of the work using a variety of different methods. The consultation aimed to establish views on the potential developments of the Old Social Work Building, plus considerations on more general developments elsewhere in Nairn. Discussions were also held with Highland Council, as current owner of the building and as a key local player in the future development of Nairn. The Council expressed support in principle for the work of NICE, provided it was carried out in partnership with the Council and in consultation with elected local members.

From the consultation there was overwhelming support from respondents to see the profile of Nairn improved, and all could see advantages in increasing visitor numbers. A wide range of views were gathered on how this might be achieved. In relation to the Old Social Work Building, a number of potential and complementary uses were identified, including the most favoured which was a visitor and orientation centre. Discussions with VisitScotland suggest that they would not be against operating an Information Point in partnership with a commercial operation located in the same building.

Other popular suggestions included public toilets, an art gallery, a Public Advice Centre, Exhibition Space, Heritage Interpretation centre, and a Café/Bistro. Respondents were keen that the building had multiple uses, and should be looked at as part of a wider vision for Nairn. Support was also expressed for making a feature of the old Police Cells.

1.3 Recommendations for the Use of the Old Social Work Building

On the basis of the physical constraints inherent in the building, the public consultation, and the wider vision for Nairn, it is recommended that the Old Social Work building be renovated to fulfil a number of functions, as follows:

- A feature should be made of the old police cells;
- The existing public toilet block should be demolished and the toilets brought into the eastern half of the building;
- In order to act as a “Gateway”, the main feature of the building should be a Visitor Information/Orientation Centre located in the eastern half of the building;
- The two rooms on the first floor of the eastern half of the building would be designated for office use by a voluntary organisation, which might include NICE itself;
- The western half of the building would be made available commercially, its exact use to be determined by which business or venture was most appropriate in terms of rental and other factors. This might be a visitor attraction, a café/bistro, a retail outlet with a small coffee shop, some other use, or a combination of uses.

1.4 Renovation Costs and Running Costs

Based on the mix of specific and general uses of the Old Social Work building identified above, an independent quantity surveyor has assessed the likely costs of refurbishment to be in the region of £500,000. This appraisal recognises that the building is structurally sound for the most part (with the exception of the extension which would require to be properly tied into the rest of the building at a relatively low cost). It is proposed that the work would be carried out with grant funding, and that NICE would seek to secure the purchase of the building from Highland Council for below valuation. In addition, the Council would benefit by no longer having to run the public toilets as these would be incorporated into the building.

If the building was developed as above, it is anticipated it could generate an annual income of around £16,000, which would match the anticipated running and maintenance costs of the building. That is, it would be self-financing once refurbished.

1.5 Economic Impact Assessment

An economic impact assessment of the proposals has been carried out looking at three factors: construction, employment, and visitor expenditure. It is anticipated that the total economic impact of the construction work would be £1,420,000, and of the employment generated there would be annual economic impact of around £126,000.

With regard to visitor expenditure, the economic impact was calculated using varying levels of visitor numbers, from a low increase on current levels, to a high level of increased visitor numbers. Using recognised average spend levels for different types of visitors in these scenarios, the expected annual increase in revenue for Nairn is estimated to lie between £466,500 and £895,500 per annum.

1.6 Conclusions and Recommendations

The following conclusions have been reached:

- There is considerable community support for bringing the Old Social Work Building into use as a “Gateway” to Nairn town centre, including public toilets.
- The planned uses for the building can be expected to lead to more visitors stopping in Nairn, and their spending power should be of significant benefit to the whole town.
- The footprint of the building will not be altered, so there will be no loss of parking spaces in the town centre.
- NICE should treat bringing the building into use as a first step towards rationalisation and development of a proper town centre for Nairn.
- In order to obtain grants to fund the redevelopment of the building, NICE needs to acquire the unencumbered freehold of the building.
- NICE would seek to acquire the building at less than full value under the relevant Disposal of Land by Local Authorities regulations.
- The next stage of the project – the Project Definition Phase – can be justified, and important elements of that phase will be to invite expressions of interest from businesses for the tenancy of the western half of the building and to establish sources of funding.

On the basis of the work and the conclusions above, it is recommended that NICE move to the next stage of development for refurbishing the Old Social Work building along the lines identified. The completion of the project will be lengthy, with various stages to go through. NICE would not, however, proceed beyond the Project Definition Phase without seeking the approval of its members.

2 Acknowledgements

This Feasibility Study report has been prepared by NICE with professional support where indicated. The professional fees and incidental expenses incurred were funded by a grant of £10,000 from Awards for All, which is part of the Big Lottery. NICE wishes to express appreciation for their support, without which it is doubtful that we could have undertaken the work timeously.

The directors of NICE also wish to thank all those who contributed to the Consultation Exercise and Survey that is fundamental to this Feasibility Study. In particular:

Alan Jones Associates – Alan Jones & Steve Bone

VisitScotland - Scott Armstrong and Lynette Reid

Highland Council – William Gilfillan & Ward Manager Louise Clark

Nairn's elected Highland Councillors – Provost Liz MacDonald; Laurie Fraser; Michael Green; Colin Macaulay

Highlands and Social Enterprise Zone (HISEZ) – Brian Weaver and Polly Chapman

All those who responded to the Survey and contributed ideas and suggestions via our website and by other means.

3 Nairn Improvement Community Enterprise (“NICE”) - Background

There is ample anecdotal and written evidence of widespread agreement in the community of Nairn that “something has to be done” about the central car parking area and the land on which the former Community Centre and the old Filling Station stood – what we conveniently refer to as the “town centre”. NICE is not aware of any individual or local organisation that would disagree with this proposition.

NICE was originally formed in November 2010 as a lobbying and thought leadership group to focus on Nairn town centre, and early work by a group of founder members produced an outline plan. This was put in the public domain during a process of consultation by Highland Council in the Spring of 2011, and Highland Council responded positively to some of NICE's ideas.

NICE's name was intentionally chosen to describe the company's purposes, and following the positive response in many quarters to NICE's plans for the town centre, the directors decided that a much more proactive profile should be adopted if NICE was to move beyond being a lobbying body. It was accordingly put to NICE's members at an Extraordinary General Meeting in December 2011 that the company should be re-positioned as a Community Development Trust. The motion was overwhelmingly endorsed by members, additional directors were recruited, and steps were initiated to change the company's status. The company adopted a revised Constitution in September 2012 and gained recognition from Scottish Government as a “Community Body”. Details of the company's legal status and its directors are given in Section 13 and Appendix A.

In the summer of 2012 Alan Jones Associates were engaged to produce a “Vision for Nairn”, the cost of which NICE's directors funded with interest free loans. As this work progressed it became clear to NICE's directors that the community of Nairn shared one clear common purpose – to improve the central car parking area and develop it into a recognisable town centre. It was clear that this would be an excellent starting point for longer-term ambitions to deliver on a “Vision for Nairn”. Improvement of the town centre would not only bring direct benefits to local residents, but would also increase the attractiveness of Nairn to visitors. More visitors – both tourists and from nearby towns – should regenerate tourism and general business activity, and in consequence create more local job opportunities. In the context of this ambitious objective, NICE turned its attention to the subject of this Feasibility Study, the building known as the Old Social Work Building. Not only had NICE identified this as having the potential to be an important “Gateway” for visitors to Nairn, but it had stood empty for several years, and had been on the market for sale for about a year with, it was understood, no expressions of any interest.

The “Vision for Nairn” was published in the Autumn of 2012, and was launched at a well-attended and well reported public meeting. NICE then started a major membership recruitment drive to increase membership beyond its then 125 members. This was very successful, and NICE currently has over 1000 members, all of whom have confirmed in writing that they support NICE's aims and objectives as outlined in the Vision for Nairn.

We make NICE's ambitions clear up-front because the entire rationale for this Feasibility Study rests on those ambitions: if the ambitions are not generally accepted by the local community, then the use to which the Old Social Work Building is put can be decided by factors other than those presented and discussed in this Report.

NICE's directors believe that the current circumstances present a tremendous opportunity to take the first step in Nairn's regeneration, and an opportunity that must not be lost. The Old Social Work Building is empty; Highland Council have long wished to sell it, and have rejected the suggestion that it should be converted to affordable housing. It sits on the A96 surrounded by the central town parking which is free, and there is easy pedestrian access through to the High Street. Highland Council are committed to the continuation of free parking, and we consider the Old Social Work Building to be ideally located for a building that makes a statement to visitors, and tourists in particular, that Nairn is a good place to visit, and to be the Gateway to Nairn located as part an identifiable town centre.

4 Aims & Objectives of the Feasibility Study

It is important to understand that the aim of this Study is to assess the feasibility of NICE's proposal that the Old Social Work Building should be put to sustainable use for the benefit of the Community as a "Gateway" for visitors to Nairn's town centre, High Street, its shops, and beyond. If the conclusion is positive and is supported by the local community and Highland Council, then the next phase of the project will be a project definition phase— e.g. consultation on the detail, reaching agreement in principle with Highland Council for the sale of the building, inviting expressions of interest from potential occupiers, building design, planning & other consents, budgets, funding, legal matters, and a project delivery plan.

This Study accordingly addresses the community's need for regeneration of the town centre; the role the building would play in regeneration; the condition and upgrading costs of the building; possible uses of the building; the likely benefits that will accrue to the town and community; consultation with members of the local community and other interested parties; the business plan for the use of the building; and legal matters. The Study has been under-pinned by a professionally conducted and independent Consultation with the community, essentially using a web-based tool known as a "Survey Monkey™".

It is important to recognise three fundamental points. Firstly, there is unlikely to be one "perfect solution" that completely satisfies everybody – there are bound to be differences of emphasis and opinion. Secondly, any recommendations made at this stage are not final and conclusive. If the project proceeds to the next phase of project definition, that is when actual decisions will be taken as part of the process of obtaining the required consents and funding; it would be quite normal for changes on points of detail to emerge during that phase. Thirdly, it is inevitable that as time goes by the social and commercial environment will change, and possible alternative uses of the building identified. It will be sensible therefore to take account of this and provide as much future flexibility in the design of the alterations to the building as possible.

5 Nairn Context

Nairn is located in the Highlands of Scotland, about 16 miles to the east of Inverness. The town was once a former Burgh and was the county town of the wider Nairnshire area. The town is best known as a seaside resort, often being referred to in the past as the "Brighton of the North". Nairn's reputation as a tourist destination developed during the Victorian era, and in particular when the

railway (hence the reference to Brighton) arrived in the town making it easily accessible to the populations of the Central Belt. This period of economic and social development brought development throughout the town, which can be seen in the impressive architecture found in the west end of the town. Although the town's popularity has dwindled in recent years, it is still a popular destination for golfers due to the proximity of two championship quality courses, and also due to its proximity to Inverness Airport and accessibility to the Highlands. More recently, Nairn has increasingly sought to become recognised as a place in which key events take place: the internationally renowned Nairn Jazz Festival (a revival is being planned), the Nairn Book and Arts Festival, the Nairnia Winter Festival, the Nairn Film Festival, a revived Street Market, and (being planned) a Motocross on the East Beach. The town also offers an excellent base from which tourists can explore the natural and historical offerings available in the Highlands. Nairn is also an important destination for people from the Inverness area because of the beaches.

Alongside the town's reputation for tourism, Nairn was once a thriving fishing port. The Fishertown area of Nairn portrays the history of the town's history in fishing. This area is now a conservation area and home of the site of the first co-operative society that is still in existence, the Nairn Fisherman's Society.

Nairn has an exceptional and diverse natural environment. This ranges from the coastal plain and seaboard forests, lowland pasture and forests, a narrow river valley, through to upland, woodland and open moorland. The natural, built and cultural heritage of Nairnshire is also exceptional, combining rich habitat, fine landscapes and resources for recreation, historical research and family history research. Details of Population; Housing; Economic Activity; the Economically Active; and Unemployment are given in Appendix B.

6 The Setting of the Building – The Wider Vision

In 2012 NICE commissioned Alan Jones Associates to develop a Vision for Nairn based on the understanding that a number of prominent local public spaces were either derelict or under-used, and with the ultimate aim that Nairn's profile as a place to visit should be substantially improved. In total the Vision looked at 11 town centre and several other properties plus the key community spaces of The Links, The Harbour, The Farmers' Showfield, and Sandown (an area of fields on the outskirts of Nairn owned by the Nairn Common Good Fund and with significant potential).

A Vision for Nairn was developed to support the redevelopment of Nairn as a whole and with the expectation that development would be undertaken in small "bite-sized" chunks. The Vision was presented at a public meeting on 12th October 2012, and has been widely accepted as being an appropriate way of approaching Nairn's regeneration. Figure 1 (below) illustrates the principal town centre properties considered as being within scope in NICE's wider vision at that time, and NICE is pleased that two of the properties have since been demolished (the old Community Centre and the former Filling Station), and that two other properties (the former Regal Bar and the Old Bus Station) are currently being developed independently.

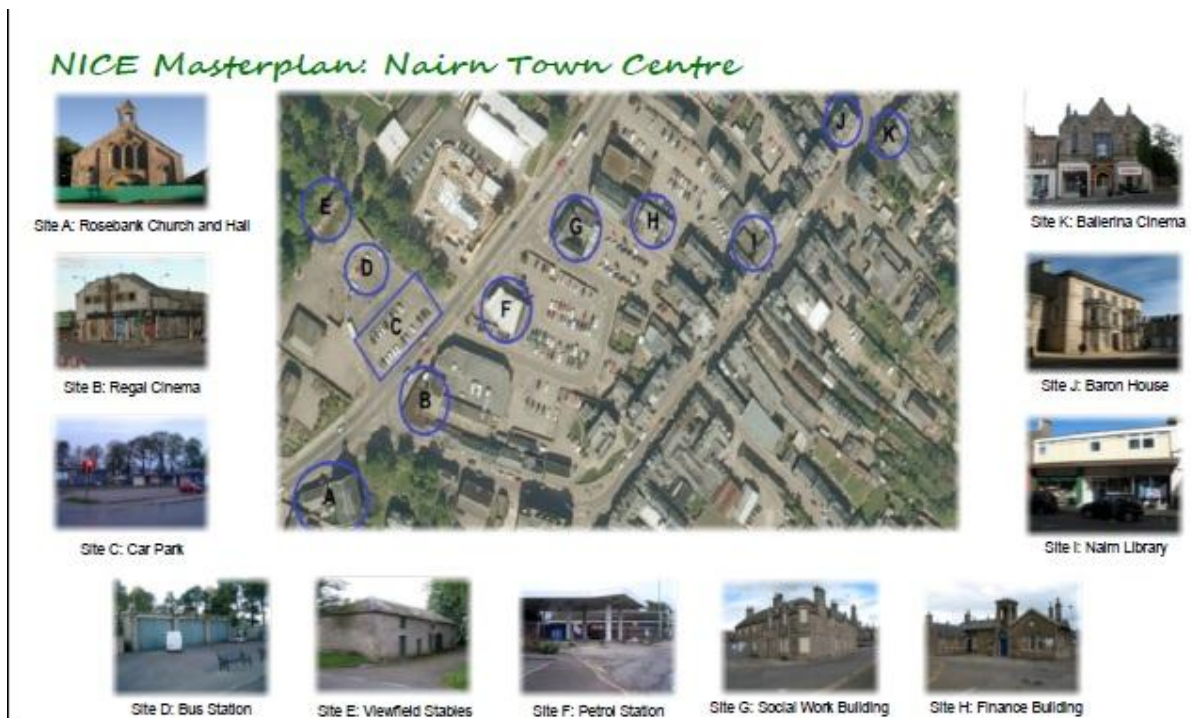


Figure 1. Nairn Town Centre Properties

7 Public Consultation

7.1 Business and Community Consultation

As part of their engagement, Alan Jones Associates conducted surveys of local businesses and individuals.

7.1.1 Methodology

Two online surveys were established through the Survey Monkey™ web portal. The first survey targeted business owners across the town, with information permitting access to the survey distributed through the Association of Nairn Businesses, and through two more informal networks of tourism businesses and businesses based on the High Street.

The second online survey targeted individuals, and was distributed to the existing NICE membership and as widely as possible beyond that via personal contacts within the membership.

A third, paper based, survey form replicating the online individual survey was made available for ease of access in the Nairn Community & Arts Centre and in the Court House in Nairn, these being two of the more prominent community visited places in the town.

Apart from initial questions to establish the demographic of those completing the survey, both versions of the survey (i.e. that for businesses and individuals) posed the same questions in relation to the potential developments of the Old Social Work Building on King Street plus considerations on more general developments elsewhere in Nairn.

A total of 32 businesses and 105 individuals completed the online surveys with a further 13 paper copies being submitted. Surveys opened on the 5th April 2013 and final responses were gathered on 12th May 2013. In the consultant's experience the response rates were consistent with their expectations – approximately 10% of NICE's individual members having completed the survey, which probably represents more than 10% of the total membership, given that many households have more than one member.

7.1.2 Results

The detailed results are presented in Appendix C. In summary, the following results relate to the question of the regeneration of Nairn:

- a) Virtually all the respondents live in Nairn, and the significant majority are in work or retired;
- b) Virtually all respondents want the profile of Nairn to improve and see advantages in increasing visitor numbers;
- c) The only businesses that felt they would not benefit from the regeneration of Nairn were those located outside of Nairn;
- d) Two-thirds of respondents do not think Nairn offers sufficient employment opportunities;
- e) Things most likely to encourage more visitors were strongly identified as being new or improved visitor attractions, more events, developing Nairn's heritage, improved cultural attractions, and better use of open spaces.
- f) Things that did not score highly as ways of encouraging more visitors were improved sporting facilities, more places to eat and drink, and more town centre housing;
- g) The beach, climate, festivals, heritage, transport links were all things that make Nairn attractive to visitors;
- h) Nairn's range of shops was marked very low in terms of its attractiveness to visitors;
- i) More events and festivals, a modern museum, upgrading the Links, upgrading the Harbour area, a Gallery, and a modern library all scored highly in terms of other facilities that should be developed.

Respondents were also asked to rate a number of possible alternative uses for the Old Social Work Building, which are not mutually exclusive since the building has the potential to accommodate several complementary uses:

- a) A visitor and orientation centre scored by far the highest number of preferences;
- b) Public Toilets, an Art Gallery, a Public Advice Centre, Exhibition Space, Heritage Interpretation centre, and a Café/Bistro all scored highly and roughly equally;
- c) Retail Units, Social Enterprise, Offices and a Bookshop all scored relatively low.

A number of general comments were made by many respondents:

- a) Make a feature of the old Police Cells;
- b) The building must be multi-use;
- c) Focus on the entire area – look at the building as part of a wider vision.

7.2 Consultation with Public Bodies

In addition to consulting in a general sense as described above with businesses and individuals, a number of face to face meetings have occurred with key public bodies to ensure NICE's vision is shared and remains consistent with the strategies of such key stakeholders in Nairn.

7.2.1 VisitScotland

Representatives of NICE met with representatives of VisitScotland to discuss the potential of housing a visitor information centre within the Old Social Work Building.

Types of Visitor Information Centre ("VIC")

There are four types of VIC operated and supported by VisitScotland; the first three are titled "Category" and the fourth is known as "Information Point in Partnership".

Category 1 – In places of National Importance and fully funded by VisitScotland. There are 6 in Scotland, 2 of which are in the Highlands – in Inverness and Fort William.

Category 2 – In places of Regional Significance and 50% funded by VisitScotland and 50% by local councils. There are 5 in the Highlands – in Aviemore, Fort Augustus, Portree, Ullapool and Thurso.

Category 3 – In places of Local Significance and fully funded by local councils.

"Information Points in Partnership" - These are run by (typically) local businesses. These may have a different branding, and are operated under contractual service level agreements. VisitScotland might give limited financial to support, for example, the provision of Wi-Fi and a Freephone facility for visitors making bookings.

Nairn's Current Visitor Information Centre is operated as an Information Point in Partnership by the Nairn Community & Arts Centre which VisitScotland support with a payment annually of £2,000.

We were told that in the fast-changing technological environment, it is likely that an increasing number of VIC's will in the future be operated in destinations under Partnership arrangements.

Services Provided by Visitor Information Centres

VisitScotland stated that the primary "drivers" are to provide a high quality professional service to visitors, and that the personal touch is paramount. The staff in VIC's should be knowledgeable not only about their locality, but also about the Highlands and further afield in Scotland. This requires suitable training and supervision. The remit should cover hotels and B&B's; visitor attractions; places to visit; activities; places to eat; travel facilities; public facilities; shopping. The advice should always be impartial, and a recent EU ruling means that accommodation advice has to be given for both "graded" establishments and the ungraded.

Opening hours are important. Tourist activity is mostly seasonal, and tourists will typically be seeking information and help from early morning through to late evening. This presents potential conflicts. In the case of Categories 1, 2 & 3 the staff costs of being open "all hours" can restrict the opening hours and the staffing level. In the case of the fourth type, a "partnership" with a retail shop can mean the service is limited to the normal shop opening hours; a "partnership" with a catering establishment (for example) might offer opening hours from breakfast through to the evening, depending on the commercial offering. Such longer opening hours are clearly preferable.

VisitScotland's Experience in Nairn

VisitScotland confirmed that the current arrangement with the Community & Arts Centre is the most satisfactory that VisitScotland have had in Nairn for many years. The personal service standards are very high, and the opening hours are long, albeit with some brief periods of closure at weekends. The number of visitors making enquiries are recorded as:

2010/11	5643
2011/12	5555
2012/13	4975
YTD	1558

The Centre manager reports that the majority of enquiries are about things to do and places to visit, with less emphasis on places to stay.

VisitScotland's View of the Benefits to Nairn from a Successful VIC

We explained our current thinking to VisitScotland's representatives. We believe that conversion of the Old Social Work Building to provide a combination of visitor and retail and/or catering facilities, and with a feature made of the old cells, should bring real benefits to Nairn in terms of the visitor experience. Given its location on the A96, it should encourage visitors to stop in Nairn, and it will (as planned) have the advantages of adjacent free car parking, free high quality public toilets in the building, access to the Museum & beaches, and access to the High Street. VisitScotland fully supported this thinking and provided us with results of their own surveys that reinforce the case:

- 71% of visitors to VIC's pick up leaflets and one in three visitors will visit more than one VIC per trip.
- 67% of visitors to a VIC said it had a positive impact on their visit to the area, and many increased their local spend as a result of information obtained.
- Whilst online sources now dominate booking of accommodation & travel, offline sources and interacting with people are significant when in Scotland, particularly on arrival.
- The typical return of visitor spend in a local economy is on average 5.35 times the net cost of running the VIC. So for example, if operational costs of the VIC are £15,000 and net income is £8,000, then net costs are £7,000. The visitor spend in the local economy would be on average $5.35 \times £7,000 = £37,450$.

It is VisitScotland's view that a VIC is a fantastic medium for local businesses to showcase themselves, for example by promoting the sale of locally produced products.

Conclusions

Given VisitScotland's aim to concentrate on Information Points in Partnership, we think the only realistic approach for us at the present time is to proceed on the basis that the existing classification of Nairn will continue. VisitScotland would strongly support an enhancement of the current facility by creating synergy with a suitable commercial operation. We have reported in detail on our consultation with VisitScotland because attracting more visitors to Nairn is seen as fundamental to Nairn's regeneration, and the Old Social Work Building is clearly recognised as having a major role to perform in that respect.

7.2.2 Highland Council

The Chairman of NICE met with the leader of Highland Council in December 2012 and there was a subsequent exchange of letters which are attached as Appendix D. In summary, Highland Council agreed to take the Old Social Work Building off the market for a period of 7 months, and suggested a joint approach with NICE on the future of the Old Social Work Building, specifically asking that NICE:

- a) Develop a partnership approach with Highland Council; and
- b) Work in consultation with Nairn's four elected councillors.

NICE readily agreed to these terms, and meetings were held with William Gilfillan of Highland Council, and with elected councillors as described in the next section.

At the meetings with William Gilfillan, it was made clear that Highland Council was very supportive of NICE's aims, recognised NICE's achievements to date, and recognised that NICE has the ability to attract funding from sources not available to Highland Council. But in a very frank exchange about its thinking, Highland Council made the point that NICE had no proven track record of project delivery, and it saw the current Feasibility Study as NICE's opportunity to establish such credibility.

7.2.3 Nairn's Elected Councillors

Following two introductory meetings between NICE representatives, the four local elected councillors and the Ward Manager, a further meeting was held in April 2013 with NICE's Consultants present. The Chairman of NICE took the opportunity to give an update on the Feasibility Study and referred back to the Vision of Nairn report that NICE had commissioned. The first project identified as a result of that report was to investigate potential options to bring the Old Social Work Building back into use.

The Consultants outlined the proposed community survey prior to this being finalised so that all present were happy with the content and nature of the questions being asked. It was noted that once approved the questionnaire would be put on Survey Monkey as well as leaving hard copies at strategic locations in Nairn. Following some general discussion it was agreed that the questions were appropriate and that these should inform the consultation process.

The Consultants alluded to the fact that it would be NICE's intentions, subject to the community consultation and business case being positive, to formally approach Highland Council with a recommendation that the building be sold to NICE for the sum of £1. The Consultants instanced that this had been successfully achieved at the Old School in nearby Ardersier, where a local community group now owns and manages the community asset. Members indicated that if the business case following consultation was made they would be supportive in principle for this approach being taken by NICE.

The Consultants then outlined a range of potential uses that had been drawn to their attention during the early stages of the consultation process. These included an orientation/visitor space, the conversion of the old jail cells to an interpretation facility, the relocation of the Scottish Exotic Animal Rescue Centre, the upgrading and relocation of public toilets, and the potential for a small cafeteria/bistro and retail unit.

The meeting concluded with the members' support in principal and agreement to proceed with the consultation exercise.

7.2.4 Community Councils

NICE made separate presentations to each of the Nairnshire Community Councils, and there was widespread support for the NICE Vision for Nairn. NICE has also attended and supported the regular meetings of the three Nairn Community Councils. NICE was also present at the meeting of all 8 Community Councils representing greater Nairnshire and the area covered by Nairn Healthcare. This meeting will be repeated in the autumn. All these meetings were supportive of Nairnshire having a greater say in locality planning and developing locality capacity. Regenerating Nairn's town centre, tourism and job creation were all seen as fundamental to translating the Vision for Nairn into reality.

7.3 Public Meeting

A Public Meeting was held on 23rd May 2013 to review the results of the community consultation, highlight the potential redevelopment opportunities for the building, seek community views on other potential uses, and consider the advantages and disadvantages of developing the building. The meeting hoped to gather further thoughts, ideas and issues that were pertinent to the concept.

The meeting was well attended by over 60 people. Following the presentation of the survey results, the floor was opened to questions and comments/observations. There was a general acceptance that the community consultation was truly representative of the views of the wider community and was acceptable in terms of options to consider for moving forward. A particularly strong line of questioning from the floor was "what happens next?", and the process for obtaining expressions of interest from potential users of the building. This is dealt with in section 15 below.

7.4 Summary of Public Consultation

It is encouraging that there were no dissenting voices among attendees at the Public Meeting that the overall approach should be to redevelop the building for the overall benefit of the local community. At its most basic, there was unanimous agreement that "something has to be done". It is also encouraging that the Survey Monkey results show a very consistent pattern in terms of the overall wider objectives and the priorities and choices for the building.

Beyond NICE's own consultation exercise, opinions have been expressed via local social media and the local Press – notably The Gurn from Nairn website and the Nairnshire Telegraph editorials. It seems fair to say that there is widespread support for NICE's approach to the Old Social Work Building.

The directors of NICE have taken all this feedback as a mandate for action on the redevelopment of the building

8 Possible Uses of Building

It is inappropriate this stage to be prescriptive of the uses to which the building should be put. However, given the nature and existing layout of the building, and the results of the consultation exercise, there are, short of complete demolition which we are not contemplating, a number of propositions that seem inescapable. The building can be naturally looked at as having three "parts"

– the eastern half at ground floor level; the eastern half at first floor level; and the western half at ground and first floor level. Thus:

- a) It seems a given that a feature should be made of the old police cells –and they cannot be moved;
- b) It seems a given that the existing public toilet block should be demolished and the toilets brought into the building. The existing layout predicates that they be located in the eastern half of the building for reasons of accessibility and existing drainage facilities. This creates the opportunity to provide public toilets of high quality which are open long hours and which are no longer the operational responsibility of Highland Council;
- c) It seems a given for the “Gateway” concept that a main feature of the building should be a Visitor Information/Orientation Centre, and since the original public reception area of the building is located in the eastern half of the building, and since that area is adjacent to the police cell corridor and where the new public toilets will be, then the basic layout of the eastern half at ground floor level is more or less pre-determined;
- d) The first floor accommodation in the eastern half of the building is two rooms, and these would most conveniently be designated for office use by a voluntary organisation, which might include NICE itself;
- e) The western half of the building is therefore effectively the only space whose use is open to determination. That use will, we suggest, be determined by commercial factors – essentially which business or venture is prepared to offer the best deal taking into account factors that might go beyond just the rent payable. Some possibilities, but we stress not necessarily the only possibilities, are a Visitor Attraction (think of families with children on a wet day); a café/bistro; a retail outlet with a small coffee shop.
- f) There is no proposal to increase the “footprint” of the building, and indeed with the demolition of the current toilet block, the overall building footprint will be slightly reduced. This means that there will be no reduction in the current number of town centre parking spaces.

One important point we would emphasise, following discussion with VisitScotland, is that the best visitor information centres are those coupled with a commercial operation such as a shop or food outlet. There is a natural synergy, and an outlet that is “open all hours” has the best offering to visitors. We appreciate the criticism that a food outlet, of whatever kind, will take business away from the High Street, but we would suggest that it is too narrow a way of looking at the matter. If the objective is to create a “Gateway” that encourages more tourists and visitors to stop in Nairn, then we suggest the “Gateway” has to provide what the majority of them want, whether it be toilets, a cup of coffee, a snack, tourist information, or whatever. There is every expectation that such visitors will step beyond the Gateway, and it will then be up to the High Street to deliver what those visitors want, whatever that may be. A criticism that emerged from the consultation exercise was that Nairn’s High Street fails visitors, and we suggest that will only improve if more spending power is brought to Nairn. We make no apology therefore for suggesting that a café/bistro should be one of the options for use of the western half of the building at ground and first floor level; indeed, with the public toilet block demolished, there is potential for a sheltered inner courtyard area as part of the operation, as well as tables on the pavement on the A96 itself. We really look forward therefore to receiving expressions of interest from all potential users of the building, because we are confident there will be great interest from those with entrepreneurial flair and business acumen. The “High Street” should not be fearful, but rather embrace an opportunity.

9 Business Risk Register

Our Consultants independently appraised the risks to the planned project to redevelop the Old Social Work Building in accordance with NICE's intentions as supported by the public consultation.

Their analysis is presented in Appendix E. In summary they conclude that the factors with the highest risk are:

- a) That Highland Council will not sell the property to NICE for £1;
- b) That unknown structural issues have not been identified (but see the report of the structural surveyor);
- c) That the project cost over-runs and the ability to obtain sufficient grants will cause severe budget problems;
- d) Failure to secure suitable tenants paying sufficiently high rents;
- e) Limited footfall of visitors and users;
- f) Volatility of energy prices.
- g) Construction of Nairn By-Pass will lead to sharp decline of local trade, although there is the counter-argument that it might increase trade.

10 Building Structural Condition & Refurbishment Costs

NICE commissioned an independent surveyor to report in writing on the structural condition of the building. The report is attached at Appendix F.

The surveyor's report confirms that the building is in sound structural condition, with the caveat that a small extension was not tied adequately to the main building and is showing evidence of differential movement. We understand that it will be a straightforward matter to put this right.

We also commissioned an independent quantity surveyor to assess the likely costs of refurbishing the building for the specific and general uses that are envisaged as a result of the consultation findings – namely a visitor orientation centre, public toilets, feature of the old police cells, offices upstairs, and a visitor attraction and/or retail use of the remainder of the space. His cost estimate is about £500,000 – see Appendix G. It should be noted that his appraisal recognises that the building is structurally sound with the one caveat mentioned above.

11 SWOT Analysis

In considering the redevelopment of the Old Social Work building, Alan Jones Associates prepared an analysis of the strengths, weaknesses, opportunities and threats facing the project. The table below summarises the outcome of that analysis. NICE believes that the weaknesses they identified will be addressed by its plans for the renovation of the building, although the perception that Nairn's building infrastructure is dilapidated can only be addressed over a period by the community at large. NICE sees the main threat to the project as failure to attract suitable capital grants, and that will be a clear priority for the next phase of the project.

Strengths	Weaknesses
<ul style="list-style-type: none"> • NICE management committee experience on large project development • Highland Council precedent to dispose of asset at less than market value • Widespread public acceptance of NICE's vision for Nairn • Early expressions of interest from prospective tenants • Adequate car parking • Building sits on A96 – major traffic artery • Services/utilities all on site • Reasonable business support for concept • Reasonable community council support for concept • Acceptance in principal from four elected councillors 	<ul style="list-style-type: none"> • Building in less than satisfactory condition • Public perception is that building is not attractive to visitors • Feeling of dilapidation throughout Nairn's built infrastructure • Current entrances not inviting
Opportunities	Threats
<ul style="list-style-type: none"> • To attract new visitor facilities possibly including interpretation and tourist related activity (e.g. jail cells, wildlife centre, etc.) • Catalyst for change throughout Nairn • Establish NICE's credibility in project management and development • Fit for purpose public toilets • Scope for small café piazza in courtyard area • Gateway to the High Street • Improve the visitor perception of a cared for community by upgrading the building 	<ul style="list-style-type: none"> • Potential displacement of economic activity from other areas in Nairn • Nairn by-pass (but could be an opportunity) • Not being able to attract capital grants • Sustainability of incoming tenants

12 Economic Impact Assessment

The economic impact of redeveloping the Old Social Work Building was considered by Alan Jones Associates across three areas:

- Visitor Expenditure

- Employment
- Construction

Unless otherwise stated, the estimated numbers are based on Alan Jones Associates' experience cross-referenced to data in the Scottish Visitor Attraction Monitor as produced by the Moffatt Centre, Glasgow Caledonian University. Comparable attractions in the Highlands are Inverness Floral Hall, the Durness Visitor Centre, and the Caledonian Canal Visitor Centre in Fort Augustus.

12.1 Economic Impact - Visitor Expenditure

The following three scenarios consider the impact of visitor spending in the Old Social Work Building and beyond:

Scenario One - based on a low expectation of new visitors;

Scenario Two - based on a mid-level expectation of new visitors;

Scenario Three - based on a high level of new visitors to Nairn.

All three scenarios below assume an increase in visitors stopping in Nairn as a result of the redevelopment of the Old Social Work Building. Some of those stops will result in "days out" (i.e. stops of over 3 hours), with the remainder simply being short stops for refreshment or comfort. The additional income generated by these visits is projected without the impact of local's spending money within any new facilities developed in the building. Any local expenditure would be considered simply as displacement for the purposes of this analysis.

Average visitor spending varies according to the geographic location of a town, its relative size, and the facilities available within it.

Average spend per day trip in the North of Scotland is £59 (*GB Day Visitor Survey, VisitScotland and others, April 2012*).

Average spend per short car stop has been estimated at £12.50. This is based on a car containing three people purchasing light refreshments for immediate consumption plus additional sundry items.

As analysed below, the expected annual increase in revenue for Nairn is conservatively estimated to lie between £466,500 and £895,500 per annum.

12.1.1 Scenario One

Assuming a low increase in visitors stopping and spending time in Nairn as a result of the redevelopment of the Old Social Work Building:

Expected increase in day trips as a result of improved facility – 20 per day averaged over 300 days per year

Expected increase in single car stops as a result of improved facility – 30 per day averaged over 300 days per year.

Daily revenue increase :

20 x £59 = £1,180

30 x £12.50 = £375

TOTAL = £1,555

Annual Increase in revenue :

£1,555 x 300 = £466,500

12.1.2 Scenario Two

Assuming a modest increase in visitors stopping and spending time in Nairn as a result of the redevelopment of the Old Social Work Building:

Expected increase in day trips as a result of improved facility – 30 per day averaged over 300 days per year

Expected increase in single car stops as a result of improved facility – 40 per day averaged over 300 days per year.

Daily revenue increase :

30 x £59 = £1,770

40 x £12.50 = £500

TOTAL = £2,270

Annual Increase in revenue :

£2,270 x 300 = £681,000

12.1.3 Scenario Three

Assuming a strong increase in visitors stopping and spending time in Nairn as a result of the redevelopment of the Old Social Work Building:

Expected increase in day trips as a result of improved facility – 40 per day averaged over 300 days per year

Expected increase in single car stops as a result of improved facility – 50 per day averaged over 300 days per year.

Daily revenue increase :

40 x £59 = £2,360

50 x £12.50 = £625

TOTAL = £2,985

Annual Increase in revenue :

£2,985 x 300 = £895,500

12.2 Economic Impact – Employment

Two types of employment will result as a consequence of redeveloping the Old Social Work Building – (a) Employment during development and refurbishment, and (b) Employment within economic units created as a result of refurbishment.

- (a) During the refurbishment phase it is assumed that a local (North of Scotland) contractor will be employed to undertake the necessary work. Whilst this activity may not lead to the creation of new jobs, it is likely to ensure continuing employment for up to 12 tradesmen

over the period of refurbishment (estimated at 26 weeks). The approximate economic benefit to those in employment will be in the region of £125,000.

- (b) It is estimated that a total of at least 8 full time equivalent posts will be created as a result of the combined proposed activities within the Old Social Work Building, given an average use of the space. This is broken down as follows, but note that the uses described are for the purposes of illustration only:

Visitor Information & Orientation – 2FTE

Visitor Attraction – 2FTE

Café/Bistro/Retail – 4FTE

Other uses – 1 FTE

Salaries are not anticipated to be high in these types of employment, given that most individuals will be employed on a part-time and perhaps even seasonal basis. An average full-time salary of £14,000 has been used as the baseline for determining the impact on economic activity of this employment.

Using the figures above, the ongoing direct employment created by the redevelopment of the Old Social Work Building will result in additional revenue generated for Nairn by way of salaries of about £126,000 (ie 9 x £14,000).

12.3 Economic Impact – Construction Costs

Small to medium scale capital works in the North of Scotland tend to favour locally based contractors. For the purposes of this analysis we have assumed that a locally based contractor will undertake the necessary refurbishment works, and that they will, in turn, purchase the majority of building supplies from local sources.

The overall construction costs for the project are estimated to be in the region of £500,000 (see Appendix G).

To estimate the overall impact on the economy of this expenditure we have used the UK Contractor's Group findings on the economic multipliers for construction spend which indicate a ratio of 1:2.84 (i.e. for every pound spent directly on construction, the economy benefits by a further £2.84) (*UK Contractor's Group, 2009*).

Total construction costs £500,000 x 2.84 = Total economic impact of construction £1,420,000.

13 Legal Matters

13.1 The Company

In legal form NICE is a Company Limited by Guarantee (registered in Scotland company number 388110) and an OSCR Registered Charity (charity number SC042118). NICE is also recognised by the Scottish Government as a "Community Body" under the "Right to Buy" legislation (a copy of the approval on behalf of Scottish Ministers is attached as Appendix H). The essential implications and consequences of these attributes are:

- a) As a Company Limited by Guarantee, NICE does not issue shares, and its members are individuals resident in Nairnshire who as members have normal “shareholder” rights under the company’s Articles, such as the right to vote at meetings, and the right to approve appointments of directors. In short, NICE is under the ultimate control of its members who are drawn from the local community.
- b) As a registered charity, NICE is obliged to comply with OSCR’s requirements, as well as general obligations under company law. Being a recognised charity enhances NICE’s ability to access funding sources, and being accountable to OSCR ensures transparency and full accountability.
- c) The “Right to Buy” legislation is discussed in detail separately below. In essence, NICE has the right to effectively express an interest in suitable properties, and if the procedural thresholds and conditions are met, to ultimately achieve preferential status to buy a chosen property at open market value.
- d) One of the statutory conditions of recognition as a “Community Body” was that NICE’s Articles must contain what is commonly known as an “Asset Lock”. This means that any surpluses that accrue to NICE can only be reinvested by NICE for (effectively) community purposes – nothing can be distributed to the company’s members by way of dividend or otherwise.
- e) NICE currently has nine directors whose CV’s are attached in Appendix A. The directors bring a wide range of professional and business experience to NICE and have demonstrated their commitment by their achievements to date.

13.2 The Right to Buy

The Land Reform Act (Scotland) 2003 was enacted primarily to enable small communities to be able to acquire property for the benefit of their communities and in preference to other potential purchasers. For this purpose the Act effectively requires communities to form companies with Articles (ie constitutions) that meet certain statutory requirements, the most fundamental of which is that any surpluses made by the company can only be reinvested within the company for community purposes – the so-called ‘Asset Lock’.

Having obtained the members’ approval to change its constitution in December 2011, NICE submitted an application under the legislation. After discussion with the relevant branch of Scottish Government about the postcodes to define the “community” in question, ministerial approval was given on 7 August 2012 (Appendix H), and the company adopted its new constitution in September 2012 with the approval of OSCR. NICE is accordingly recognised as a “Community Body” under the Land Reform Act (Scotland) Act 2003.

The statutory process of exercising the right to buy is complex and involves several thresholds. These are outlined below for completeness, but it is worthwhile saying that in the experience of the Community Assets Branch of Scottish Government, an expression of interest in a property by a Community Body results in the great majority of cases in a willing buyer and willing seller situation – ie the legislation is not actually invoked. The essential statutory steps are:

- a) The Community Body makes an application to register an interest with regard to a particular property. For the application to be successful, the applicant has to demonstrate that it has the support of 10% of its community (defined as registered electors), and that it has a suitable community purpose for the property – ie that there is a “Community Interest”.

b) If satisfied on the above points, the Scottish Minister formally registers the Community Body as having the right to buy the property, but nothing happens until the property owner wishes to sell the property. At that point the property owner has to notify Scottish Government of his intention, and if the Community Body confirms it wishes to proceed with purchase, there is a six month period during which the following steps have to be taken.

c) An independent valuer is instructed to report on the open market value of the property, ignoring the effect of the “right to buy”.

d) The Community Body has to conduct a ballot of its Community seeking approval for the proposed purchase. The requirement is that at least 50% of the community vote in the ballot, and that a majority of those voting are in favour.

e) The Community Body has to make the case for a community purchase and raise the necessary funds, and if satisfied the Minister grants the Community Body the right to purchase the property.

It is worth noting that under the legislation the threshold percentages are the subject of ministerial discretion, but we are at present not aware of any precedents in this respect. The second threshold (the requirement for 50% of the community to actually vote in a ballot) would appear to be particularly onerous in larger communities. NICE understands that Scottish Ministers are currently conducting a review of the legislation and that the Development Trusts Association (of which NICE is a member) has made this and other points in their representations.

13.3 The Purchase Price

NICE commissioned an independent professional valuation of the Old Social Work Building (Appendix I). The valuer ascribed a value of £10,000 to the building in its present condition.

It is understood that prior to removing it from the market for sale (see Drew Hendy’s letter in Appendix D), Highland Council had the property on the market for sale for a period of about 18 months, during which time there were no expressions of any interest. These facts lead to the inevitable conclusion for NICE that the property is worth little in comparison with the cost of restoring it and bringing it into use; furthermore, it must be a continuing liability for Highland Council since the building fabric will continue to steadily deteriorate if there is lack of maintenance. As has been noted elsewhere in this Report, NICE is minded to offer Highland Council the consideration of £1 for the building. Not only, as noted, is there a recent precedent in Ardersier for such a consideration, but there is also legislative support. Specifically, the Disposal of Land by Local Authorities (Scotland) Regulations 2010 are in point. Quoting from the relevant Guidance Notes, Local Authorities are given power under section 74 of the Local Government (Scotland) Act 1973 to dispose of land in any manner they wish, subject to the “best consideration” rules. These require the local authority to appraise and compare the costs and other disbenefits and benefits of the proposal, and we are pleased to report that Highland Council have recently directed the local Ward Manager to prepare a report for review by the Highland Council Asset Management Board in August 2013.

Consideration has also to be given to the EC State Aid rules. With regard to these, NICE’s current proposal is to put the property to a new use that in no way replaces a service provided by Highland Council, from which it follows that the EC rules will not be breached. Even if that is wrong, the

remedy is a clawback of the undervalue (ie £10,000) from NICE, which if NICE has achieved financial growth and success should not be a concern.

13.4 The Legal Title

There are several forms of legal title. Highland Council have confirmed that they own the unencumbered freehold interest, and it would technically be possible for them to either transfer this title to NICE, or for them to grant a lease (long or short) to NICE for a fixed duration, or to grant NICE a tenancy. However, from the perspective of funders, NICE is advised that it would need to hold the unencumbered freehold title, and that therefore has to be the preferred transaction.

NICE does recognise a concern within the local community that in the past Highland Council has transferred property to private ownership, only for the property to lie fallow and become an eyesore, and with Highland Council having no legal recourse to take the property back into its ownership. As a matter of principle, NICE has no objection to a suitable clause in the sale agreement giving Highland Council the right to take the property back in certain defined circumstances, provided potential funders are satisfied with such a condition.

14 Budget Considerations

At this stage of the project NICE needs to be satisfied that there is a reasonable prospect of a sustainable business model that will ensure that once redeveloped and in use, the building in NICE's ownership will be able to achieve an operating surplus each year, or at the least break even.

We make the following assumptions:

- a) That NICE is able to secure funding for the conduct of the Project Definition Phase (see next section);
- b) That NICE is able to secure grant funding for the property development costs which are currently estimated at £500,000, and also for the start-up costs of bringing the building into full use (the Big Lottery, for example, insist that an allowance is made for this cost which is often overlooked).

Given the above assumptions, we need to consider the potential income streams the building will generate, and the costs of maintaining and managing the building. This is on the basis that the up-front capital costs have been fully met by grants and NICE has no related borrowings to fund by way of interest expense. We assume that the commercial tenant of the building will be contractually responsible for managing the common parts (eg the visitor area and the public toilets), and that support will be given by way of volunteers to staff facilities such as the visitor information centre. NICE's responsibility will be to provide a contractually agreed number of staff to perform these functions, but they will be under the daily management of the commercial operator. On the basis of this operational model, NICE will require the services of a part-time paid manager whose main responsibilities will be to manage NICE's role as landlord, and to source and manage the body of volunteers. A possible annual budget model is as follows:

INCOME

Rental from the western half of the building - £12,000.

Support from VisitScotland - £2,000.

Support from Nairn Business & Hotel Associations - £2,000.

TOTAL INCOME - £16,000

EXPENSES

Rates & Insurance	£3,000
Repairs & Maintenance	£3,000
Utilities (common parts only)	£2,000
Manager Salary (part-time)	£8,000

On the basis of the above it would appear that a break-even position could be obtained. Clearly the position will need to be critically examined during the Project Definition Phase when the achievable rent from a commercial operator is established via expressions of interest and preliminary contract discussions.

15 Next Steps – The Project Definition Phase

NICE envisages that the next step of its project for the development of the Old Social Work Building will be a “Project Definition Phase”. A condition precedent to starting this will be confirmation from Highland Council that NICE has its full support, and that Highland Council will, subject to appropriate conditions, in due course sell the unencumbered freehold of the property to NICE for an agreed consideration. Without such confirmation it will be very difficult (impossible even) for NICE to invite expressions of interest from organisations (commercial and otherwise) who might want to become occupiers and users of the building. NICE would accordingly propose to invite Highland Council to grant it an option for a nominal consideration (the “option” price) to purchase the building at an agreed price (the “exercise” price) on or before an agreed date (the “exercise date”). Such an option will enable NICE to perform the Project Definition Phase which will include the following elements:

- a) Assessment of the leading options for uses of the parts of the building;
- b) Further consultation as deemed expedient;
- c) Identification of the potential users to be approached for informal soundings;
- d) Preparation of documentation to invite expressions of interest;
- e) Invite expressions of interest from possible users;
- f) Review the expressions of interest;
- g) Draw up outline architectural plans for building;
- h) Obtain Quantity Surveyor’s report on the building works cost;
- i) Prepare budget model for preferred bidders;
- j) Approach preferred funder/s and obtain confirmation they will support;
- k) Identify the approvals that will be required (eg Building Control; Planning; Change of Use)
- l) Prepare project delivery plan;
- m) Prepare final report with recommendations for implementation of the construction phase and subsequent bringing of building into use;
- n) Identify project manager to lead project when all approvals received.

16 Conclusions

On the basis of the consultation that has been carried out, we have reached the following conclusions:

- a) There is virtually unqualified community support for bringing the Old Social Work Building into use as a “Gateway” to Nairn town centre.
- b) The planned uses for the building can be expected to lead to more visitors stopping in Nairn, and their spending power should be of significant benefit to the town.
- c) Bringing the Public Toilets into the building under NICE’s control will save Highland Council a substantial sum each year and provide a facility of high quality.
- d) The footprint of the building will not be altered, and in consequence there will be no loss of parking spaces in the town centre.
- e) NICE should treat bringing the building into use as a first step towards rationalisation and development of a proper town centre for Nairn.
- f) In order to obtain grants to fund the redevelopment of the building, NICE needs to acquire the unencumbered freehold of the building.
- g) An independent valuer has put a value of £10,000 on the building in its current condition, and it should be possible for Highland Council to justify a transfer to NICE at less than full value under the relevant Regulations.
- h) The next stage of the project – the Project Definition Phase – can be justified.
- i) An important element of that phase will be to invite expressions of interest from businesses for the tenancy of the western half of the building. Depending on the responses it might be necessary to consult further with our members and the community generally to consider the available options.
- j) NICE would not proceed beyond the Project Definition Phase without seeking the approval of our members by way, in all probability, of a Resolution at a General Meeting.

The Directors of NICE

July 2013

Appendix A - Directors CVs

Dr Alastair Noble – Chairman

Alastair was a GP in Nairn from 1974 until retirement in 2006. His special interests were and remain the integration of health and social care, Community Hospitals, Maternity Care, and Mental Health including drug and alcohol problems.

Alastair is currently an independent advisor to Scottish Government and several Health Boards and Local Authorities. He has served on many national committees, including the Arbuthnott Review of Care of the Elderly, Multi-Agency inspections of care of the elderly, the Integrated Resource Framework, and Commissioning Groups. He worked with the Joint Improvement Team and the Health Improvement Scotland and Care Commission.

Locally, Alastair has chaired school boards, the Nairn anti-pollution society, and the Nairn Civic Trust, and he has a special interest in locality planning around the Common Good.

Michael Barnett – Company Secretary

Michael graduated in 1967 with a degree in Engineering from Cambridge University and spent five years as an electronic systems engineer with GEC-Marconi. He then changed careers and joined the Inland Revenue and trained as an Inspector of Taxes. During his 14 years with Inland Revenue he had charge of two tax districts and spent six years in the Head Office Section investigating cases of tax avoidance and evasion. In 1987 a further career change beckoned and he joined Ernst & Young's financial services office in London, from which he retired as a Tax Director in 2004.

Michael and his wife moved to Nairn in 2005, and he has since been actively involved in a range of voluntary activities: an advisor at Citizens Advice Bureau; Convenor of the Nairnshire Challenge; Secretary and (currently) Convenor of Music Nairn; Treasurer for Scotland's Gardens in Moray & Nairn; Coordinator of the Inverness Flower Show.

Iain Fairweather

Iain began his working life as a school Laboratory Technician and later a Medical Physics Technician attaining an Advanced City & Guilds Certificate. This was followed by a further period of vocational study which led to a position with an international charity based in Buckinghamshire. Over a period of 20 years, he set up and ran the audio visual department and later had responsibility for the UK PR and representation team of 40 people.

In 1995 he took up self-employment, helping to establish a photographic mini-lab in Oxfordshire offering a studio and wedding photography service. Later he established a web design business and ran this for a period of 5 years before moving with his wife to Nairn 10 years ago. Wedding photography and web design have been the primary activities over that period. He set up and operates VisitNairn.com, manages a number of local web sites and was instrumental in establishing a local tourism association.

Iain is actively engaged in local and Highland-wide tourism; he served for 8 years on the Highland Regional Committee of the Federation of Small Businesses; is a founder director of the Nairn Book &

Arts Festival; a committee member of the Association of Nairn Businesses; and a member of Nairn Rotary Club. Two years ago he established and currently runs Nairn Model Centre.

Magnus Swanson

Magnus is a qualified solicitor and was for many years a partner and ultimately CEO of Maclay Murray & Spens, a leading Scottish law firm. He is now chairman of Law at Work, a fast growing employment and health and safety business, and of Golden Charter, the UK's leading provider of pre-paid funeral plans. Magnus serves on the Investment Committee of the National Trust for Scotland, and has historically held a number of other non-executive board appointments.

Magnus has a house in Nairn and is a keen golfer.

Matthew Hilton MRTPI

Matthew holds an honours degree in Town & Regional Planning from the University of Dundee. During his studies he was awarded a summer internship within the Planning & Development Department of Dundee City Council, where he worked on Europe's largest urban renewal programme and he also spent a trimester studying at the University of Nijmegen, Netherlands.

Post graduation, Matthew took up employment as a Town Planner at the Moray Council, during which time he was invited to become a member of the Royal Town Planning Institute. In 2006 he entered the private sector before establishing his own practice (HHL Scotland – Chartered Town Planning & Building Consultants) in 2012.

In his spare time, Matthew has a love of the outdoors, especially the water and mountain environments. He has been expedition supervisor for the Duke of Edinburgh Award scheme and is a voluntary coach with the Nairn Kayak Club.

John Hart MBA

John served in the Royal Navy until 1993, progressing through a range of staff appointments ashore and at sea to reach Commander, Royal Navy. His many and varied roles included Supply Manager for two warships and Administrative Manager of an aircraft carrier. He managed the Joint Services logistics support and distribution chain during the Falklands War. He was then Bursar of a girls' private school until retiring to Nairn in 2007.

John's early years at school were in South America and he qualified as a Civil Service Interpreter in Spanish in 1970, a skill that was to serve him well during and after the Falklands War. His main interests are Latin American culture and Rugby Football, and he has held many posts in pursuit of these interests. He has been secretary of the Rotary Club of Nairn since 2009.

Rosemary Young OBE

Rosemary was educated at North London Collegiate School and then Pensionnat Juat in Switzerland. She worked in London as a Medical Secretary and in the Music Business until joining British Overseas Airways Corporation as flight Stewardess

After marriage and two children Rosemary became a Suffolk Sheep Farmer and Welsh Mountain Pony Breeder. She came to Nairn in 1993 and bought the Claymore House Hotel (a 12 bedroom hotel). She then bought Inveran Lodge Guest House in 1996 and the Windsor Hotel (a 52 bedroom hotel) in 1997. During this time she employed up to 80 across the hotel portfolio. After the sale of the two larger hotels in 2007 she retained Inveran Lodge a luxury guesthouse which is currently operational.

Rosemary is a qualified trainer for the Hospitality and Tourism Industry in both Group Techniques and Craft Training. She became an SVQ assessor to level 3 in hospitality. Has written and delivered training programmes sponsored by Inverness and Nairn Enterprise throughout Scotland. She is also a qualified Patisserie Chef and Cordon Bleu trained.

In 2006 after eight years of working with the Government both in Scotland and Westminster on Hospitality and Tourism Rosemary was awarded an OBE for services to Hospitality in the Highlands and Welfare to Work.

Rosemary is Horse and Pony Judge on several International and National Panels and judges at various Agricultural Shows in Scotland, Ireland and England as well as abroad. She is Chair of the local Tourism Association Group, has just completed a year's Presidency of the Rotary Club of Nairn, and is currently Chair of Nairn West Community Council

Graham Kerr

Graham was born and raised in Nairn and educated at Millbank Primary School, Nairn Academy and Inverness Technical College, obtaining a Higher National Certificate in Civil Engineering.

Graham started work in 1966 as an Apprentice Engineer with Inverness County Council in the County Surveyors Roads Department and worked his way up to Engineer Resident on Site. In 1975 Graham started working for W.R. Fraser in Nairn building the Sheltered Housing on Cawdor Road and Private Houses at the Glebe. Graham then worked with AMEC Construction from 1976 to 1996 on various construction projects in Scotland and Overseas. From 1996 to 1998 Graham worked in Ghana for Merit Engineering on a village relocation project for a Gold Mining Project. From 1998 to 2003 Graham worked as a Site Manager in the North of Scotland for various Local Civil Contractors. From 2003 to 2010 worked as a Construction Manager in Nigeria, Ghana, Laos, The Philippines and Liberia.

On retirement in 2011 Graham was elected to serve on the Nairn West Community Council and was invited to join the Board of Directors of NICE.

Campbell Mair

Having trained in Accountancy in 1988, Campbell move to Nairn to become Financial Controller of a Scottish based Nursing & Residential Home Group. Campbell's interests in Health, Social Care and Locality Planning widened in the early 1990's, studying Community Care with the University of Dundee. In 1996 Campbell joined the NHS as General Manager of the Nairn and Ardersier GP Group. Campbell's 15 year career included, in 2011, the completion of and relocation to Nairn, of Nairn's integrated Community Hospital and Primary Care Centre.

Campbell is a member of the Institute of Healthcare Management, and of the Healthcare Financial Managers Association.

Since leaving the NHS in 2011, Campbell has been the managing partner of “Insight-Scotland”, delivering specialist management expertise to service providers and commissioners across the Healthcare sectors, with a particular emphasis on General Practise and extended Primary Care.

Campbell is Director and Chairman of Cantraybridge, a local charity offering care and rural skills training to young people with a learning disability.

Campbell lives in Nairn with his wife and three sons who are all at school in Nairn.

Appendix B - Nairn Population and Demographic Statistics

Population

The total population of the Nairn ward is 11,469. Nairn itself accounts for around 74% of the ward's total population with around 8,418 inhabitants. The remainder of the population is spread through the sparsely populated rural hinterland. The population of the ward grew by 3.2% between 2005 and 2010. This increase was due to a large proportion of inward migrants coming from other areas in the Highland and Scotland.

The wards population age profile is slightly older than the Highland average. 55.1% of the ward's population are over 50. The table below present a breakdown of the age structure of the ward and how it compares with Highland average. The ageing population in the area will have an impact on the range and types of services needed to support this growing section of the population.

Age	Ward (%)	Highland (%)
0-15	17.3	17.6
16-49	31.0	33.3
50-64	30.1	30.2
65-74	11.4	10.4
75-84	7.4	6.2
85+	2.8	2.3

When considering population density, not surprisingly the Nairn Ward reflects a density above the Highland average at 32.3 persons per square kilometre against a Highland average of 8.4.

Housing

The number of new homes built in the ward between 2006-2010 was 318. The number of new homes that could be potentially constructed from 2010-2014 is 601 as identified in the Highland Council local plan. The percentage of households which are owner-occupied is 67.1% - slightly higher than the Highland average of 65.7%. Permanent occupations account for 93.7% of the total owner-occupied housing stock with the remainder being second / holiday homes or vacant units. (The Highland figure is 89.8% in permanent residential use in the owner-occupied sector.)

Economic Activity

The key employment sectors are:

Health services

Accommodation and food services

Retail

Manufacturing is important at 8.3% but is based largely on only two companies. The growth in health and social care is reflected in the increase in the number of care and residential homes for the elderly in Nairn and the consequent employment. However, historically, the key private sector industry in Nairn has been tourism which, although changing in focus, has potential for development.

The hinterland, especially Ferness and East Nairnshire, suffers particularly from a loss of services and transport isolation.

The table below shows an employment by sector breakdown for the wards population.

Percentage of people employed in:	Nairn Ward	Highland Average
Agriculture, forestry & fishing	1.4	1.8
Mining, quarrying & utilities	0.2	2.4
Manufacturing	8.3	5.7
Construction	6.3	6.0
Motor Trades	1.6	2.4
Wholesale	2.8	2.6
Retail	11.9	10.8
Transport and storage	4.8	4.9
Accommodation and food services	11.4	10.7
Information and communication	3.8	2.4
Financial and Insurance	1.8	1.1
Property	1.4	1.1
Professional, scientific and technical	4.6	4.6
Business administration and support services	6.7	5.6
Public administration and defence	2.8	6.3
Education	7.8	9.1
Health	17.4	17.8
Arts, entertainment, recreation and other services	4.9	4.6

Economically active

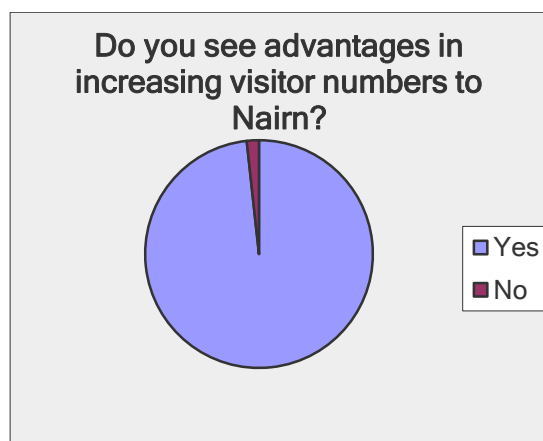
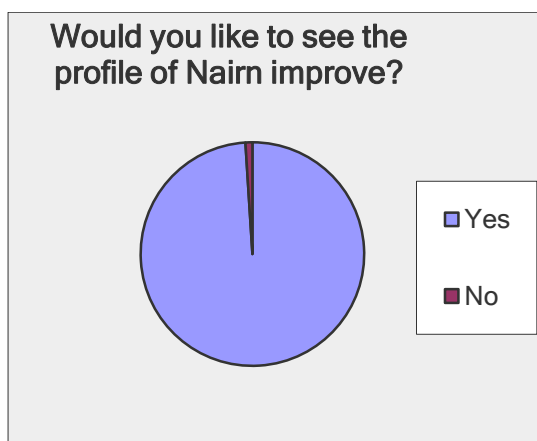
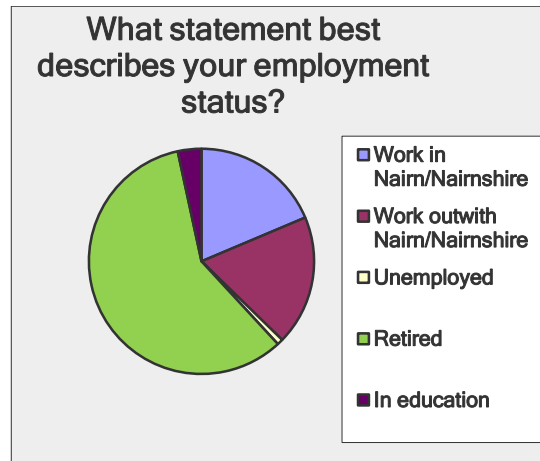
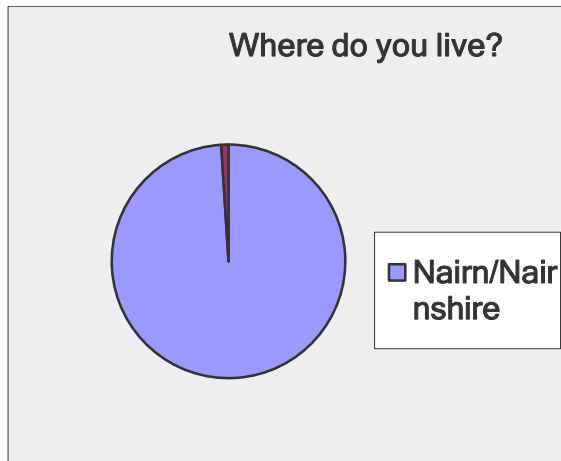
The percentage of 16-74 year olds living in the Nairn Ward which are economically active is estimated at 66.1%. Of these, 37.8% are in full-time employment, 12.7% are in part-time employment, and of the remainder, 8.9% are self-employed, 2.2% are full-time students and 4.6% are unemployed.

Unemployment

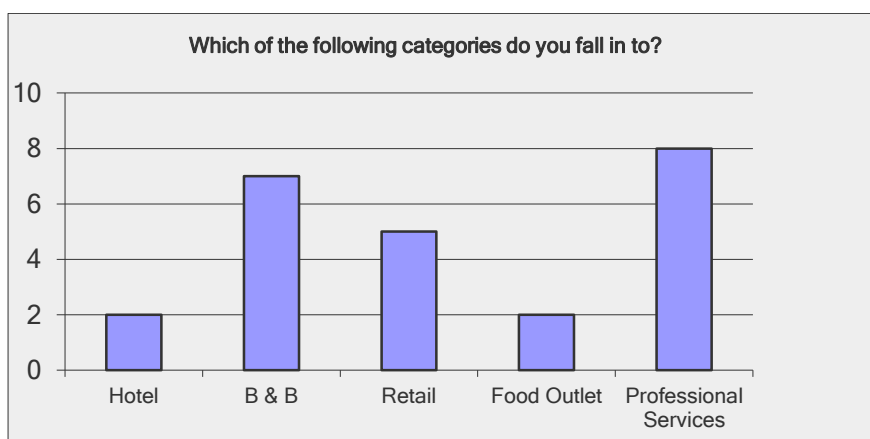
The unemployment rate (defined as the percentage of resident working age population claiming Job Seekers Allowance) is 2.4%, very slightly less than the Highland average of 2.8%, and of these, 1.0% are long term unemployed. These rates are affected by the seasonality of employment in Nairn and the Highlands as a whole, such as employment in the tourism industry where people are employed for the season but may be unemployed for the rest of the year.

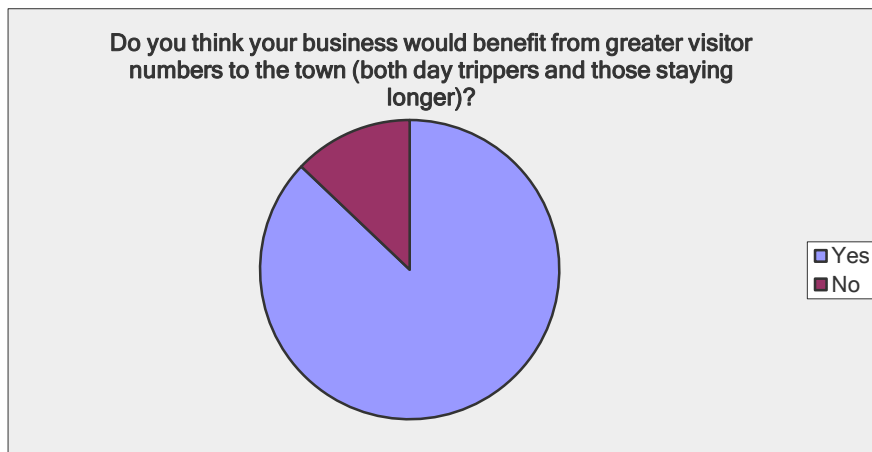
Appendix C - Survey Results in Detail

Questions 1 to 4 on the individual survey were designed to offer an overview of the demographic of those responding whilst also establishing that there was a general consideration that Nairn would benefit from some form of regeneration.

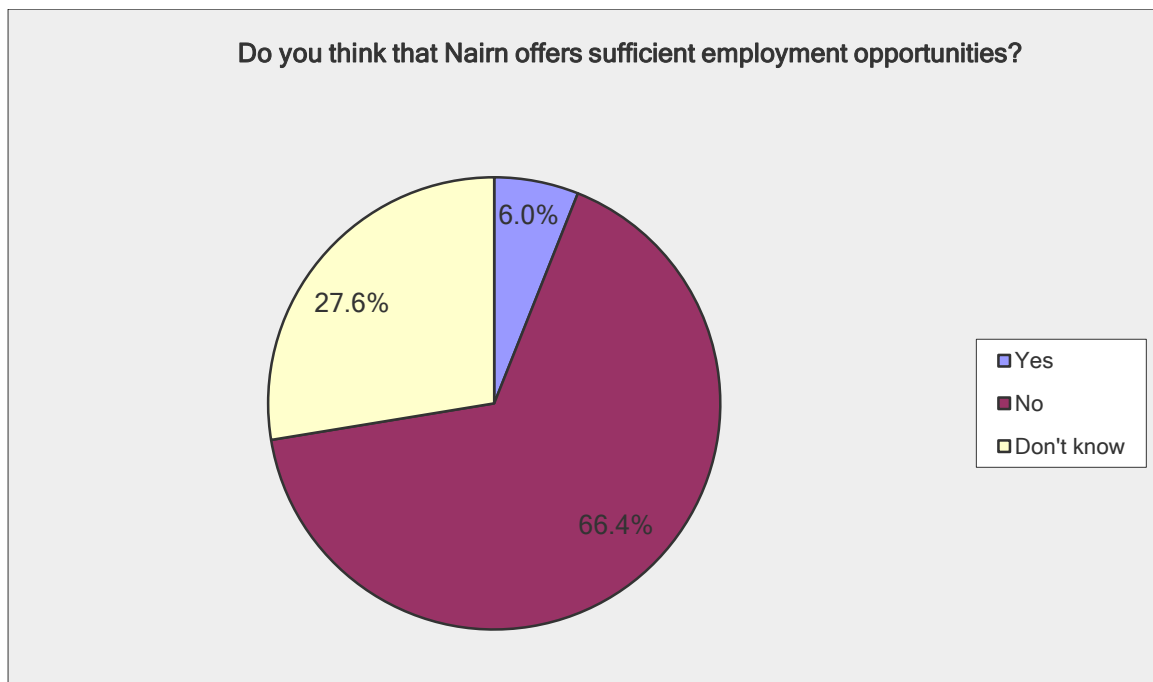


Questions 1 and 2 in the business survey focused on the types of businesses responding and whether they felt their business would benefit as a result of an increase in visitor numbers to Nairn. Of those who felt their business would not benefit from an increase in visitor numbers, all were located outside of the town in country locations.





Question 5 – Do you think that Nairn offers sufficient employment opportunities?



An overwhelming majority of respondents did not feel that Nairn offered sufficient employment opportunities. A supplementary question asked for views and comments in relation to this aspect. The comments received could be paraphrased and grouped around the following areas:

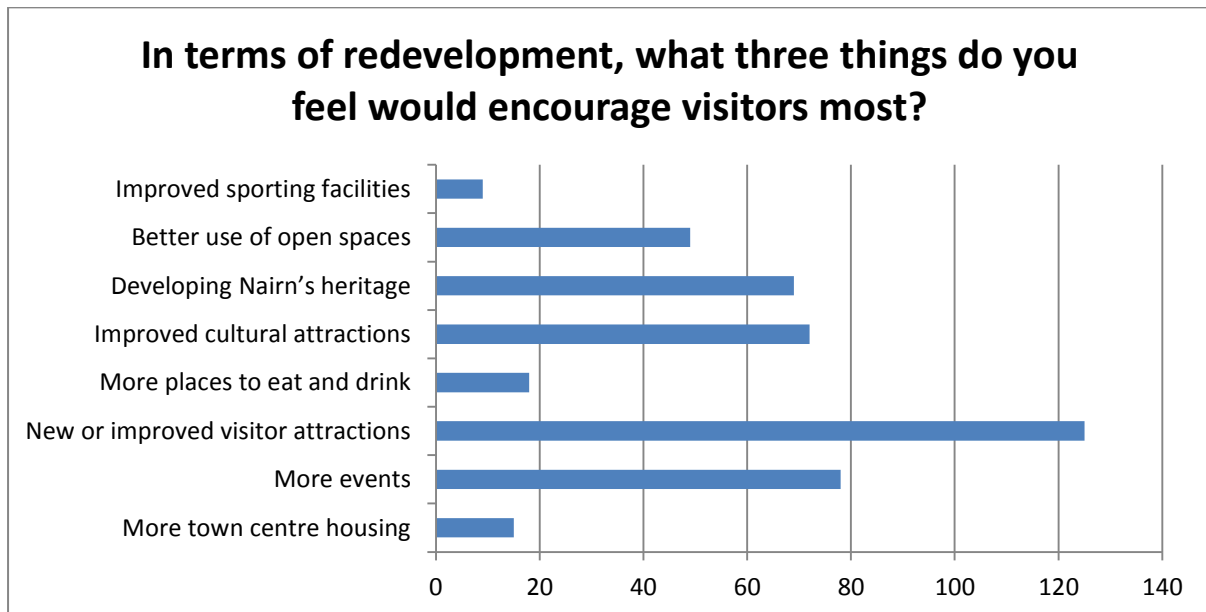
- Increase in white collar jobs
- A focus on careers, not just jobs
- Sustainable, long-term tourism related employment
- The need to retain young people in Nairn
- Developments at Ardersier
- Greater involvement and support from HIE and others to develop Nairn economically

The comments related to key issues such as:

- the perceived centralisation of public service jobs towards Inverness

- the short term/seasonal nature of, and attitude towards, much of the employment relating to tourism in Nairn
- the drift of young people towards employment in Inverness, resulting in many choosing to live in Inverness rather than Nairn
- the huge potential currently being discussed in relation to the development of the former oil fabrication yard at Ardersier for renewable energy projects
- the perception that Nairn has been left to lie fallow by the public agencies responsible for economic development within the area

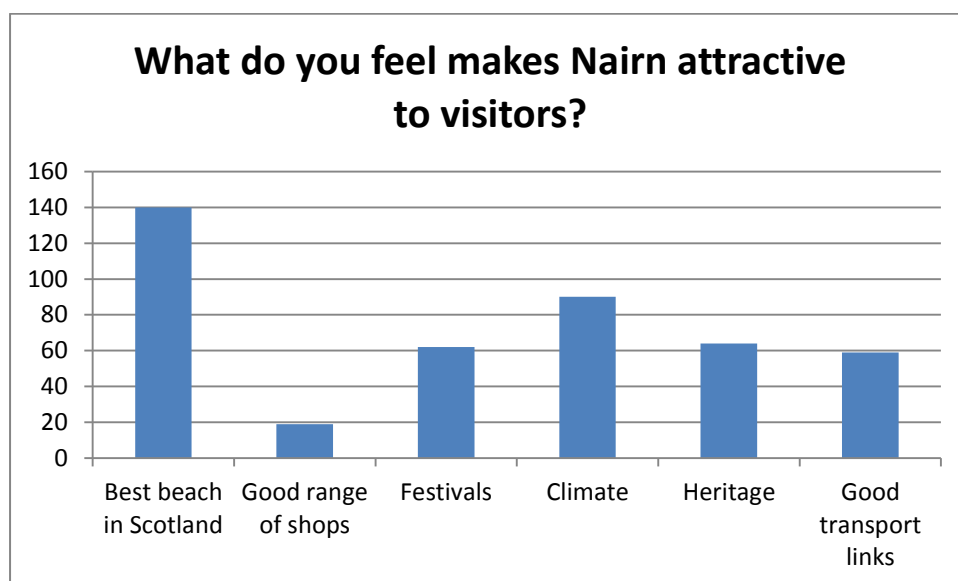
Q 6. In terms of redevelopment, what three things do you feel would encourage visitors most?



The horizontal scale of this graph indicates the total number of instances a respondent scored any of the options as a top three priority for action. The graph does not weight the scores according to their relative popularity (e.g. scoring more for a first choice as opposed to a third choice). Under a weighted scoring system, the shape of the graph remains very similar with the exception of the option for "Improved cultural attractions" reducing slightly to a score just below that for "Improving Nairn's heritage".

Given the wording of the question, in relation to visitors, it is perhaps not surprising that "New and improved visitor attractions" scored so highly. The category also permits enormous scope in the determination of what can be considered a "visitor attraction".

Q 7. What do you feel makes Nairn attractive to visitors?



Respondents were invited to score as many options as they wished in relation to this question with a clear preference towards the beach as being Nairn's principal attraction to visitors. A supplementary question was offered to allow respondents to comment or offer their own suggestions for Nairn's top attraction. The responses for this focused on both positive issues and some negatives that respondents felt were not in Nairn's favour. The full list of responses is included as an appendix to this report however they can be paraphrased as follows:

Positive Comments

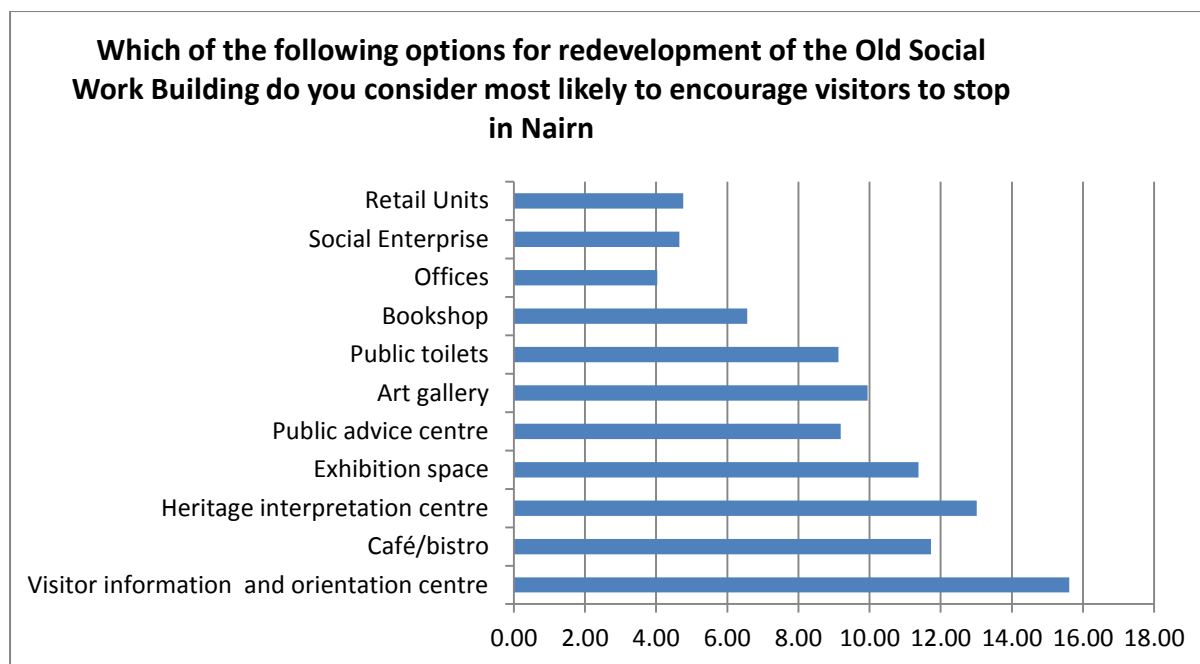
- Great Golf Courses
- Sailing
- Fishing (River, lochs and sea)
- Harbour (although room for significant improvement)
- Walking/scenery

Negative Comments

- Beach is covered in rubbish
- High Street has nothing to offer
- Festivals not promoted sufficiently
- Heritage undervalued
- "Tired" High Street

Q 8. Which of the following options for redevelopment of the Old Social Work Building do you consider most likely to encourage visitors to stop in Nairn (where 1 is your first choice, 2 your second and so on. Please score all options)

Given that this question required respondents to "score" their responses, the graphical interpretation has used a linear scoring system expressed as a percentage of the total value of scores. Options which received a first choice response scored 11 points (as there were 11 options) and options scoring an 11th choice scored one point, with obvious variations in between.



The clear option of choice for redeveloping the Old Social Work Building was to offer some form of visitor information/orientation provision. This was followed by options aimed at heritage interpretation, exhibition space and a café/bistro. With the notable exception of the café/bistro, the results generated in response to this question resonate clearly with those obtained in response to question 6 regarding the things people felt would encourage more visitors generally.

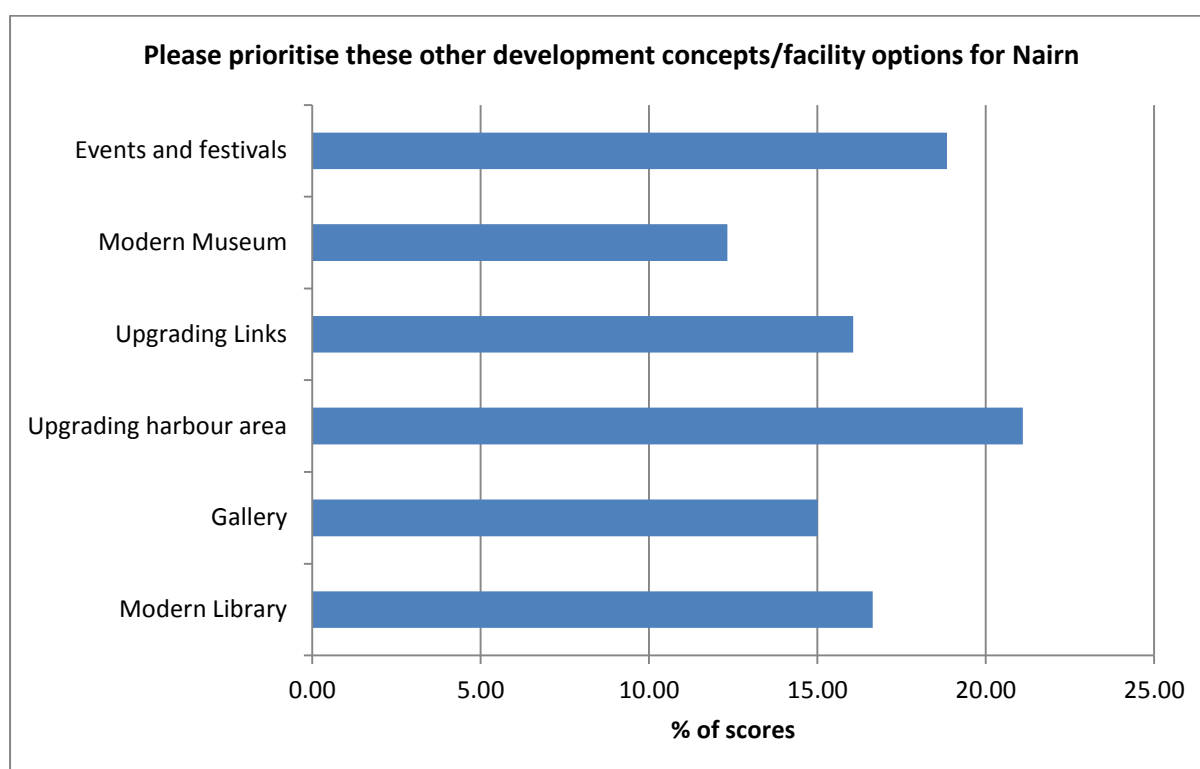
Q 9. What other uses do you feel may be more appropriate for the Old Social Work Building?

Question 9 opened the scope of redevelopment of the building up to suggestions beyond those listed in the previous question. This question aimed to tease out all of the key issues and ideas that respondents had in relation to the Old Social Work Building to ensure that as wide an options analysis as possible could be considered in relation to potential redevelopment. The responses are attached as an appendix to this report however the key findings can be summarised as follows:

- Make a feature of the old Jail Cells (Dornoch/Inveraray)
- Science Centre
- Children's play centre
- It must be a multi-use facility
- Community creative arts centre
- Knock it down
- Focus on the whole area, not just the building
- Youth centre
- Community produce co-op or retail outlet
- Concentrate on other areas of greater need first e.g. High Street

Many of the responses to this question related to the need for redevelopment to be a part of a wider vision and this relates well to the NICE philosophy of a wider vision for redeveloping key aspects of Nairn. This aspect of wider development was explored a bit further in question 10.

Q 10. Please prioritise these other development concepts/facility options for Nairn.



Question 10 applied a linear weighting to scoring in a similar manner to question 8 and offered respondents the chance to indicate their preferences for future development within the town. As can be seen the main issue related to upgrading the harbour area with the development of more events and festivals coming a close second. Considering these responses together with those in relation to the earlier questions on attractions offered to visitors then there may be a case to consider a range of events focused on the harbour/beach to help regenerate this area however considerations in this regard are out with the scope of this report.

Q 11. Are there any other comments you would like us to take into consideration in the development of Nairn in general and the Old Social Work Building in particular?

The final question asked offered respondents the opportunity to comment on any aspect of redevelopment of either Nairn or the Old Social Work Building. As can be expected this question gathered a wide variety of comments with greater or lesser degrees of relevance to the subject however in summarising/paraphrasing there was a clear desire to see coordinated activity that would result in benefits to Nairn. A full list of comments are included as an appendix to this report with the following giving a flavour of the responses:

- “Just do something”
- Coherence and cooperation between NICE and the community councils
- Think about something for families to do on wet days
- Consider improving green spaces
- Try to make Nairn attractive to visitors once more

Comments in relation to qualitative survey questions

Question 5 – Does Nairn offer sufficient employment opportunities?

New small businesses in areas like IT, retail, culture & tourism offering both full time & part-time jobs

I think people need to view hotel work as a career/profession not as a casual job

Career opportunities for young people in the Tourism industry

We need manufacturers of small, high value items. Thus negating transport costs.

More possibility for young school leavers to get out to the working industry .

"Sufficient" is a weasel word. There is always likely to be a certain level of unemployment or under-employment in any locality. There is a need - and plenty of scope - to (a) decentralise and localise public-sector services to provide local employment; (b) incentivise local retail businesses by changes in the rating and regulatory framework; (c) attract business investment by improving the infrastructure (transport and access, IT, etc) while retaining and improving "quality of life" for potential investors and their employees; (d) enabling and encouraging SMEs - particularly those linked with the main local industries (tourism, agriculture, and the services sector) - to set up and operate in the area.

All types are required, with emphasis on providing for young people

reduction in business rates to increase high street trade by having a wider range of shops

Tourism events and to make more use of our unique beach

More 'high end' employment to retain able young people who invariably have to move away to find employment opportunities.

Work related to developing a visitor friendly, well kept sustainable town and surrounding area involving local authority and private business expansion.

Any sort of increase would be good. Employing more people locally would attract more services.

More to do with tourism on which Nairn relies, more in the retail side with businesses closing down but realise that this is difficult in the financial situation, more jobs in those fields for youngsters with training available for them.

Distinct lack of business. Office based business White collar workers

Tourist and service industry as well as commercial

develop training facilities for rural skills leading to increased employment opportunities for young people

Just a variety other than hospitality.

Permenant 52 weeks a year jobs paying good wages. INDUSTRY of some sort. Golf and hotel seasonal employment, care homes, deminishing number of shops, cafes and haidressers all provide

employment but low wages. Balmakeith is half empty, Cap Gemini, employing a lot of people on low wages, locals and others, is very good, but is there a danger of the work being transferred to their new massive site soon to be opened in Inverness?

Jobs with a career path and apprenticeships

Small skilled businesses that do not rely on bulk transport and can have a long life.

We need real employers to come to Nairn. Sainsbury's was heralded as 300+ jobs but nearly all staff are just part time

High quality training in all aspects of hospitality Sports

Not familiar with actual stats/trends. Would guess that youth employment opportunities are scarce? One comment - it took me over a year to become aware of the presence of a range of successful businesses in Nairnshire. The local business scene is very low profile?

local tradesmen/women taking on genuine (not government low pay schemes) apprentices from the community. This way of working is a form of 'pay forward' enabling the young that want to stay in their own Community to do so and give back to the Community when a trade has been learned.

Indoor play area for children / toddlers on rainy days Nursery for under 2's - lots of people drive to Inverness with their children to drop them at nursery. There are no under 2's nursery's in Nairn Nice child friendly cafe's open on Sunday's

Green: gardening, beach cleaning/ monitoring for dog fouling, public spaces upkeep. Arts: local arts cafe/gallery spaces, cinema, independent shops, local trades and businesses housed on the high street. Retail: fortnightly farmer's market, as above. Bistro/restaurants on high street.

HIE must play a more active and fair part. Forres and Inverness have enterprise zones! Why not Nairn?

Improved tourist facilities which will give employment to local people and attract more visitors. More facilities for local people including cultural/recreational facilities would provide further employment. Opportunities for small businesses to grow via reduced rates or grants would be useful.

Jobs for youngsters seem to revolve round service in eateries and pubs. There is room at Balmakeith for more businesses can this be marketed more? Can we help businesses to diversify in the high street with cooperatives in some premises?

Headquarters type offices (we should have had SNH), a return to the local squads for Highland Council work, instead of workers from elsewhere parachuted in. It would be good if turbine assembly came to Ardersier to provide good quality mainly male jobs, as so many Nairn jobs are in the care sector, tourism and retail (mainly female)

Purely because Nairn has been left out but by increasing tourist trade and by improving the centre jobs will be generated. We should not be looking for more business parks at this stage but keep to smaller situations.

Improved hospitality opportunities - WELCOMING to visitors and locals alike. A creative visitor centre , not just a few leaflets.

Apprentices.Employment for all levels of academic(or none) levels.

More Oil and Gas / renewables based around Whiteness or an industrial park.

Well paid jobs with a career structure and constant training

Training into employment Social enterprise Social firms Self employment

- green technologies - green tourism

Opportunities needed across the board along with the child care infrastructure to support parents/carers.

High tech, construction, agricultural and tourism.

More employment in the tourism industry.

Tourism mainly.

We could have far more people employed in the tourism industry

Support for all tourism and visitor amenities in the town. Support for all tourist and visitor activity operations in conjunction with local farm holdings. Support for micro businesses, one person businesses setting up in back bedrooms, sheds and garages, any planning restrictions should be avoided

More tourism More businesses at Balmakeith

Tourism, shops, events and visitor services.

Keeping the young is important

Increased tourism Small business start-ups Technology-based businesses - distance no barrier Renewable energy development

It would be good to see some more manufacturing type jobs come into the town so that people were not so dependent on the tourist trade or going to Inverness to work.

I would like to see more trade apprenticeships for young people. More full time jobs would be really helpfull. Companies that take on large numbers of people for short term contracts are not good for this area.

Where people may be enabled to earn their livings in making genuine souvenirs for tourists and residents; in providing heritage-related services; in growing and making things; and in food-related industries and accommodation provision - to reduce carbon emissions, to sustain the area's attractiveness to visitors, and to raise economic activity.

More for the young Exploiting tourism/ growing/farming/ arts/ galleries / sport

I would like to see any community monies which NICE can attract being spent on uplifting the Town Centre, the Links, the Maggot, and the Riverside. All jobs should be given to Nairn people, young, old or of any age who want to work for the betterment of Nairn. Obviously these types of jobs do not form long term employment but could provide a good stepping stone for many, and at least the money will reside within the Town.

Industry of all sorts

many more jobs for younger people

The youth should be encouraged to find employment.

Question 7 What do you feel makes Nairn attractive to visitors?

Location for visiting other areas of the Highlands & Grampians Golf courses Green spaces & riverside
Good B&Bs Caravan Park

folk seem to enjoy the countryside, walks & cycling

Sport facilities

Golf

Golf

none of the above, the beach is covered in rubbish, the highstreet has nothing to offer, no real festivals are around to attract people other than the music and arts, the climate is wet, the heritage gets forgotten.....well i suppose the transport is ok if not expensive and underadvertised

The quality of the surrounding natural environment; the range of recreational options; the "ambience" and image of the town; the quality of access and availability of parking within the town; the quality and value for money of the accommodation and eating/drinking venues. "A good range of shops" is important to visitors but is not ticked because at present Nairn does not offer a very comprehensive choice of shops aimed at meeting the expectations of visitors.

Could be the others but they are few and far between Q 6 should have creating business and jobs as top priority

River Walks

Shops need a major lick of paint, very scabby and puts people off.

Does the 'close to airport' factor actually influence visitor preferences - what do figures show?

Safe for Children

Friendly, hospitable and knowledgeable local population. Sense of pride in the town and environment.

Good walks for all abilities eg river and promenade.

Outdoor activities - golf, fishing, biking, walking, birds.

Golf Courses. Close to Inverness.

Two Castles just quarter of an hour away (Cawdor and Brodie). Fishing on River Nairn, Findhorn, Spey accessible. Whisky trail in Moray nearby and stunning Highland scenery.

Events like Quad Biking, Beach Volleyball, Bowling, Saturday Market, Local Craft Days, Arts things, A Charlie Chaplin weekend, there are so many !

Small, friendly community Good base for local touring

Fantastic scenery across the Firth

rural location, scenery, friendly community, independent shops, clean, low crime rate.

Sporting Activities

Question 9 What other uses do you feel may be more appropriate for the Old Social Work Building?

I think the above options cover the range adequately but I feel things like a cafe & bookshop which are already on the High Street, & Heritage interpretation which happens at the Museum should be avoided. This is a very central location it should be offering a new service/facility and there should also be something for residents to ensure the building is fully used all year round.

Day care centre for elderly or disabled folk

Local produce co op

Flats, but keep the facade as is - also somehow retain town centre toilets

as long as it isnt a cafe, takeaway or hairdresser i dont mind

Knock it down!!!!

The key question is not what happens inside the building, but how it relates to the adjacent and surrounding spaces and buildings. No building exists in isolation. The success and viability of any activities within this building will be determined by how it links to the High Street, to other nearby buildings, to the main road and green space across the A96, and to the parking facilities.

Happy with range of suggestions above

I m not sure that more toilets are needed as there are toilets in the nearby parking area. Similarly, Nairn already has a good bookshop and is not short of cafes/bistros.

Don't know

A combined option of information and cafe and loos.

A facility for the use of the community groups with some 'atmosphere'. The present community centre has as much presence as the toilets in the Eastgate centre.

Possible library site

To be available for people to rent for Courses or other cultural activities at moderate fee.

Demolish them as they constrict development

Move the library into it with adjoining coffee shop.

as above

Toddler/Creche Indoor Bowling

A community creative arts type centre, something different to the usual old thing.

Research suggests that multiple-use venues are more successful in attracting footfall. A combined Cafe/Exhibition space/Bookshop would be ideal (examples can be found in Strathpeffer, Elgin, Cromarty and Ullapool) The visitor information centre should remain separate.

Not Sure, it would depend on how the rest of the area is developed.

Children's play zone - indoor play area. If not a nursery. It's location does not present itself as a good tourist / visitor destination. You would be better off working with the old amusement arcade and doing something positive for visitors with that. You will then get a lot of passing trade. You have a nice building but it's in the wrong location. It would be better off converted into flats.

Multi purpose library.

Starting point for town cultural-heritage tours and other local guided tours, 'open studio' events for local artists, bicycle and walking routes. Bistro/outlet for local produce and 'Nairn artisan' products. Performance space for local children/drama (perhaps combined with exhibition space) during festivals, special occasions etc.

Think there is a good range already

For social events, such as demonstrations, food tastings, whiskey tasting, events for the older folk, bingo, scrabble, high teas

Refurbish them to create homes.

I dont know how big it is, but a cinema if its large enough but i dont think it is or something of kids, a soft play centre space.

Knock it down and create more green space and a sense of centre in Nairn.

Facilities for tourists and their families to use when the weather is adverse. There is nothing for them to do beyond the beach in Nairn.

adjoining space must be developed attractively/ inviting/ in harmony with the building and its new purpose (trees, street lights, pavement)

cab office

A stand alone Youth Centre which allows young people the use of the entire building rather than one small room in the community centre. It could deliver day and evening services across youth work, health, skills direct Scotland and other partners as well as general youth work.

Library. Then if space permits, art gallery/exhibition space. heritage interpretation. Not sure what "Social Enterprise" as above means.

A science center similar to Dundee Hands on for children and adults. .

Art gallery, social enterprise, offices, retail units

A Tourist information centre would be a BAD idea if it resulted in fewer hours of operation than is currently available via the Community Centre, it would only be a good idea if it could be incorporated into and run by other businesses in the building

Combination of Visitor info, paid for exhibition space, tourist shop selling Nairn things like Nairn Ice Cream, Oaties, Whisky(brackla), Cloutie Dumpling etc.

youth cafe

A childrens centre, may include such things as changing facilities, soft play, kids club or shoppers creche, information point, craft area. some of these facilities could be commercially run.

What is meant by a 'social enterprise'? If a business which employs local people and pays proper wages then fine, with the benefit of community ownership?

Gallery/ art&Crafts / health food cafe

A retail unit which displays and sells only a limited selection local produce whether that be meat, fruit, vegetables, fish, arts/crafts, jams/chutneys etc.but identifies a local shop where a greater variety is available. This way you kill two birds with one stone.

Anything that encompasses Scottish tradition & heritage - that's what tourists are looking for

Demolition should not be ruled out

Question 11. Are there any other comments you would like us to take into consideration in the development of Nairn in general and the Old Social Work Building in particular?

In terms of the survey you have not offered the option in either Q6 or Q10 of refurbishing & regenerating the town centre, which I feel is essential to encourage visitors to stay more than a day or a night. Nor better town signage which would also help visitors to find the main facilities they

need. If they don't see signs, they'll drive straight through. In Q6 I don't think there should be MORE places to eat & drink but a better range of evening restaurants with, for example a fish/seafood restaurant perhaps at the harbour. Other areas: 1. Keep as much free parking in the town as possible 2. I think more could be made of Fishertown with a signed walk which would be an ideal project for Alan Barron & perhaps a mini-museum. Likewise plaques with information on plants & trees (including the problems caused by invasive plants), wildlife, the history of the well & other features up the riverside walks would make it more attractive to visitors 3. The Farmer's Field is a large open space largely only used by dog walkers. Until the farmers can dispose of it I would like to see it made more use of for occasional events. This could benefit the farmers with extra income & would bring more people to the town 4. Likewise Sandown could be put to use for the Common Good Fund. 5. More floral displays in the town centre would be a big improvement and help to distract from the poor state of the buildings. 6. There should be no more dense housing development in Nairn nor concentration in one area like Lochloy. Once better transport infrastructure is in place, I would support some development of Nairn South along the lines Major Allenby has outlined using natural contours as boundaries, keeping density low & including some retail, business & local facilities in the area nearest the town. 7. I would also support an initial development, again of low density housing on the area of Sandown nearest to Achareidh The Old Social Work Building: I hope any plans will include attractive landscaping around it

Sometimes when I am out walking, visitors stop in their car to ask me where the tourist office is. It is difficult to explain to driving visitors how to get to the tourist office! If the Old Social Work Building became the tourist office, visitors would find it much easier.

Do something about the ivy that is damaging trees near the Firhall bridge

Try to retain where feasible the Victorian character and seaside feeling of the town

Nairn needs to embrace the 21st century, tourists want an internet cafe, Starbucks, a gallery, more in-depth local history (the museum isn't enough anymore) I've worked with the public my whole working life and these are things they are always asking if Nairn has... the phones n pc's shop is a step in the right direction!

The comment above about the Old Social Work building not existing in isolation is the most important one. It is vital that the whole of the town centre is revived on the basis of an overall plan or vision, not by piecemeal utilisation of individual buildings. On some of the survey questions, the options offered are limited or "loaded". For example, what does Upgrading the Links actually imply? Why list an art gallery or a modern museum as possible priorities for the development of Nairn, but not give space for other suggestions (like different amenities related to the beach, or possible enhancement of the Riverside Pathways, or the creation of a joined-up Coastal Trail)? In terms of job-creation and the future development of Nairn, why no mention of the possibility of securing a share of the new UHI campus (Nairn could easily be the venue for a part of the new university - it's within easy commuting range of Inverness!) There are many other aspects of the development or regeneration of Nairn that could (and perhaps should) be considered.... like how far might the transport and access arrangements (from A96 traffic management, to the design and provision of integrated cycleways around town) make a difference to the functionality of the town centre? How significant is the caravan park operation to the local economy? What can be done at a practical level to enhance the visual appearance and appeal of the town (getting rid of eyesores, having floral

displays, installing a more coherent set of signs to the local amenities/parking/hotels etc)? How can Nairn be marketed more effectively as a destination? Would better-integrated transport services - like buses and trains with timetables that interconnect, and public transport services that are tied into the flight times in and out of Inverness Airport - help to attract more visitors to the area? There are a lot of questions of that kind which may not need substantial public funding but which require a greater degree of joined-up thinking and more imagination than has been evident in recent years. A strategy for the town requires consensus, and clarity, about what kind of town Nairn seeks to be, and how fast and in what way it should grow. It is at present a largely residential location with a higher-than-average retired population (with consequent issues about employment, and the viability of local services). Dr Grigor envisaged, and created, a town principally focused on delivering services to the tourism sector (should it, and can it, revive and sustain such a role?). Should it become a commuter suburb and satellite town for Inverness (which is in effect the current trend and consequence of official decision-making and planning)? Could it be a local industrial hub based on manufacturing wind-turbines or whatever in a replay of the McDermott years (inherently unlikely)? Can it define a new role based on homeworking, high speed IT and "quality of life" (nice if you can get it!). Could it try to emulate Fort William (the outdoor capital of Scotland) or Aviemore (the skiing centre of Scotland) and find a USP which defines Nairn as a special destination? This survey asks some pertinent questions, and I hope the results prove useful. But it barely scratches the surface....!

bus stop for Inverness bound bus to be constructed which would free up space required at the bus station this would help traffic flow.

Need to look seriously at the traffic problems in Nairn

Remove/improve Regal and nearby old church. layout "plaza" type area around Old social Work building. Approaching to and along King Street encourages visitors to keep going. Remove two sets traffuic lights

Local farmers'/street markets/ - probably best located on the links - with opportunities for local people to rent spaces to sell 'bric a brac' and second hand goods. Might give a buzz to the town and allow people to make some spare cash.

A stronger and more cohesive sense of what Nairn is or should aim to be like would help to direct development. More integrated approach from surrounding towns. Does Inverness promote Nairn as a nearby place to visit with tripadvisor comments and posters of the fabulous beach for example?

focal point/town square with green space, plantings & seating areas

The common good land at Sandown could be developed, with very little capital funding required, to become an attraction in it's own right. Towns in the USA have, for example, large wild flower meadows, or parks with a multitude of lilac bushes and so have Lilac Festivals. We already have a tradition of well thought out park planting. Why should we not expand our horizons to create park or garden festivals?

We need an open space in the centre of Nairn for things like farmers markets, pipe band to play in the summer and possible highland dancing exhibitions etc for the tourists. Hopefully it can join up with the High Street for Christmas light switching on etc. An open space has no end of possibilities.

Community involvement and agreement essential. At present too many groups working to different agendas. Party political issues also distract from local priorities.

High street needs smartening up and quality of shops needs to improve. Develop walks and cycle paths, make town dog friendly, encourage more classroom type bars and eating places. Do something with empty shop fronts

No fountains!!! - would just be filled with empty cans and junk. Retain parking - visitors need somewhere to park if we are to stop them passing through.

No matter what it is it needs to be successful otherwise it will be a case of 'I told you so!' by those with real no interest in the town.

I feel that enhanced horticultural areas around the town to brighten the town, including provision of shrubs and bushes to encourage birds and wildlife along the riverside area.

Cars able to find parking and exit via Library Lights if going to Co-op without resorting to entering A96 /King St and going round again !!

Could it be somewhere that would enable less advantaged people of Nairn to volunteer in a gain experience and prestige from helping Nairn. Whether it be a cafe, a museum or a gallery. Please don't let whatever it becomes get too precious, let it be as inclusive as possible.

Provision of more free parking - for the benefit of shoppers and visitors. Focussing/direction of/to attention to main shopping areas

No more housing in the town centre - especially flats. Eating places need to be more upmarket and serve quality food like the delicatessen in Beaulay, Rocpool, The Dores Inn and The Storehouse not the rubbish that we have presently. It has been mentioned to me many times that there is nowhere decent to eat in Nairn apart from Boath House but that is great for more special occasions.

I trust that as an open discussion, the best choices to develop Nairn will prevail

Re Old Social Work Building, High Street and Harbour Area - the key is to create 'hubs' where people will spend time/congregate on a sustained basis. In general, the development process will never engage all members of the resident community but it must engage a sufficient number to secure sufficient momentum. With this platform established the other essential is effective communication through a range of channels.

There is no under 2's nursery in Nairn. If there was this would generate jobs and Nairn parents would be likely to leave their children there instead of driving them to Inverness. There is no indoor play centres in Nairn for children. Successful businesses like the 'Play Barn' in Lhanbryde, 'The Loft' in Kinloss and the indoor play area in Kinloss are an example of how to exploit the parents and toddler market.

Sensitivity to history of place: e.g any 'upgrading' of links and harbour to retain original character. All the old architecture of the town is precious and lovely and needs to be protected. The atmosphere of a Victorian spa remains in Nairn, and gives it great dignity and beauty. We need to preserve this essential character of the town, not least for visitor numbers to be built upon. The Old

Social Work Building belongs to buildings that must be thus preserved and dedicated to civic function. The harbour lacks any original character and might be restored in some way? Dog fouling of both Central and east beach is a serious health and aesthetic problem, making the beaches far less attractive than they should be. Litter is also a terrible pollutant, with the east-beach dunes particularly badly affected by discarded dog faeces, plastic and bottles. Nothing seems to be being done on a regular basis about this terrible problem.

Just do it

Attractive and inviting not more of the same.

Create an area for coach parking - perhaps the new bit of the central car park could be designated for this purpose, as it seems to be difficult to access for cars. Remove the fencing, and make large slots. This would allow visitors a central drop off point that is safe, and ensure that they knew where their coach was for their return or onward journey.

I feel it is in a prime position for tourist info, cafe and small gift shop. We now have plenty of parking close by and it is easily seen from passing motorists

Such a nice building, be sad to not use it to encourage passer by traffic to stop for a cuppa or a snoop around small shops

Keep the old buildings in good order and DO NOT turn them into housing. Green spaces are very important, don't build on them. The town centre needs to have good look about it, can we get the old shop fronts back. Leaking downpipes and green wet areas on walls are not attractive and make the place look uncared for - can owners be ENCOURAGED to keep their property in good order. Do we need a bus station, would a good sized bus stop on each side of the road save the buses having to cross the road.

The bus station and old cinema are in more urgent need of being developed as they are more of an eye sore to visitors.

Nairn needs an active centre with green space / an attractive feature or two.

I am frustrated by the limited options of this questionnaire. There is no room for ideas from the general public

Thanks for all your sterling work so far and good luck....

I felt restricted by the selections - for me (and I'm sure many other people) the main priority for Nairn has to be the state of the High Street.

Not another cafe or shop.

What is there to do in Nairn just now if you are a visitor with a family? Nairn needs to cater for all age groups, be interesting and have something people want especially families. People want FUN. The play facilities at the Links are very poor, as is access to the putting green and it's very boring layout. People, tourists, visit Nairn mainly because of the beach, golf and fishing. The weather is unpredictable and therefore Nairn needs to be looking at indoor leisure pursuits as well as outdoor

and which are available not just for tourists but local people as well. It would also draw people from nearby towns perhaps on a regular basis. Here are some suggestions for indoors and outdoors and it would also create employment. 1. Indoor putting and/or themed crazy golf. 2. Indoor soft play area. 3. Indoor roller skating - not one in the North that I know of! 4. Indoor soft jet balls - not one in the North that I know of. 5. Imaginative out door crazy golf. Why can't it have a fishing theme? ie Boats, fishermen, women, fish, shells, dolphins, starfish, creels etc. 6. Large outdoor climbing frame built from wood: ie with four linking turrets, lots of stairs and ways out ie down slides, tunnels, zig zag partitions. Suitable for all ages and abilities. Again it could be themed. Making it unique to Nairn. 7. A fenced maze. 8. Sunken trampolines. 9. Go-karts or 4 wheel pedal bikes, suitable for carrying 1-4 people - designated area. 10. Picnic tables and seating. Picnic tables without seating but suitable for disabled access. BBQ areas. 11. Boating pond. 12. The provision of windbreaks and deckchairs on the beach. Nairn used to do this. 13. Sandcastle competitions. Nairn used to do this. 14. Music on the beach. Nairn used to do this. 15. An amusement arcade. Nairn used to have 3 good arcades. If a small village like Carr-bridge can have an amazing facility like Landmark, why can't Nairn?

There is a glaring omission in the Nairn's Needs to encourage tourists and Visitors, and this is easily available and instantly identifiable visitor parking

I feel it's a shame that entry to the museum isn't free as is the one in Forres. View field Park would be more used for Tai Chi, senior exercise areas etc. if more benches available. If the view through the park could be opened up by the demolition of the bus depot, it would be beautiful from the King Street direction.

I have lots of ideas but Beach Huts are a must and a big money spinner !

Make NICE more accessible by improving the communication strategy. At the moment it appears that the membership is merely there to show numbers to funders and is only rarely consulted or kept informed of developments.

I don't feel that these buildings should be turned into residential houses or flats.

I think my idea of a children's centre in the old social work building would please many people. It would be a much needed facility for local families and a popular bonus for visitors. It also creates jobs and/or commercial opportunities. In fact I believe in this concept so strongly that I'd take it on myself!

Please don't let it be turned into flats!

I would like to see more cohesion within Nairn between NICE and the various Community Councils. As a case in point, it would seem that NRCC is actively seeking to undertake the maintenance of the Links, Harbour, River and Riverside paths, using funds from the Community Challenge. What we do not need is everyone chasing funds to the detriment of the broader vision and for Groups to be acting in isolation which could mean that they are working/gravitating against one another. That would just be a waste of money and effort and ultimately the Town will lose out.

First is give travellers a reason to stop. Toilets, information and then somewhere to eat. Think of Drumadrochit and their main car park. It gets travellers out of their cars to stretch their legs and hopefully spend some money in the local area.

Better use of the Common Good

Appendix D - Correspondence with Highland Council

Mr Drew Hendry
Leader of Highland Council
The Highland Council
Glenurquhart Road
Inverness
IV3 5NX

18 November 2012

Dear Drew

Thank you for your letter of 16 November. I am pleased that you found our meeting on 5 November informative and useful. I found it instructive in trying to understand where Highland Council will fit in to complement our aspirations for Nairn and its Community.

NICE is recognised by Scottish Government as a Community Development Trust with the "Right to Buy". We are in regular communication with the Community Assets Branch of Scottish Government who are giving us considerable support and assistance in achieving our aims on behalf of our Community. Our membership has increased from 130 to over 600 since the public launch of our Vision for Nairn on 12 October, and we are confident that we will reach the 10% threshold required under the relevant legislation quite soon. The Community Assets Branch advises that in the great majority of cases they have seen to date, the existence of the "Right to Buy" leads to the situation of willing buyer and willing seller, and as a consequence, it has not been necessary to bring the process under the legislation into play. They have accordingly suggested that we should ask Highland Council to take the properties which we are presently interested in off the market. Therefore, I would formally ask you to do this. These are, specifically, the Old Social Work Building with the attached Public Toilets, the site of the former Community Centre, and the areas of town centre car parking currently in Highland Council ownership.

We are currently, fully engaged on our first project work in relation to these properties. We have been awarded £10,000 by Awards for All (part of the Big Lottery) to fund a feasibility study for our planned use of the Old Social Work Building, and our work will start shortly. We have also just applied for a £15,000 grant from Community Spaces Scotland (also part of the Big Lottery) for a feasibility study for the construction of a new Civic Square integrated with the town centre car parking areas. We have identified potential sources of funding for these projects should their feasibility be established, and the Nairn Rotary Club has already committed in principle to funding an element of the new Civic Square. As we discussed, it is crucially important that we work together, and that there is **no** duplication, and thus no waste, of public money.

We must work together on these first projects so that we jointly deliver to meet the Community's wishes. We have commenced work on the first of the feasibility studies and I should be grateful if you would arrange for the relevant Highland Council personnel to liaise with our team as a matter of priority.

In the meantime we will work up and collate ideas with regard to local area priorities in preparation for the meeting you suggest with local Councillors. In this context I enclose a

copy of our most recent newsletter which we have given to members and posted on our website.

I look forward to your positive response especially on the matter of withdrawing from sale the Nairn town centre sites described above, and to whom we shall be speaking on these matters at Highland Council.

If your secretary needs to contact me, my telephone number is 01667 453507, and if I am not available our company secretary Michael Barnett can be reached on 01667 4556657.

Yours sincerely

Dr Alastair Noble (Chairman)



DH/cr
24 December 12

Dr Alistair Noble
Chairman, Nairn Improvement Community Enterprise
Delnieswood
16 Moss-side Drive
Nairn IV12 5PN

Dear Alistair

Nairn Improvement Community Enterprise

Thank you for your letter dated 18 November 2012 regarding your ambitious ideas for Nairn and how these could fit into Highland Council's plans for Nairn Town Centre.

In particular I note your request (under Scottish Government 'Right-to-Buy' legislation) that Highland Council takes the old Social Work building with attached toilets, the site of the former Community Centre, and the areas of the town centre car parking currently in Highland Council ownership, off the market. This is something that the local Elected Members in Nairn had already concluded was in the best interests of Nairn.

The Nairn Members have already initiated a paper to go to Finance, Housing and Resources (FHR) committee on 30 January 2013 seeking approval to take these Council assets off the market. The paper will also suggest that the Council develops a partnership approach with NICE over the use of part or all of the footprint (detail to be further discussed with Nairn Elected Members) and that part or all of the footprint be offered to NICE on a 'Right-to-Buy' basis. I understand that the statutory period under 'Right-to-Buy' is 6 months, therefore the paper will state that NICE be given up to the end of July 2013 to prepare a detailed business plan.

In the first instance I would ask that you keep your Ward Manager, Louise Clark, informed of progress and she will help you access the appropriate Council advice regarding 'Right-to-Buy'.

I will of course inform you of the FHR committee's decision and wish you all the best with your plans for Nairn

Yours sincerely

Councillor Drew Hendry
Leader of Highland Council

Councillor Drew Hendry
Leader of Highland Council

The Highland Council, Glenurquhart Road, Inverness, IV3 5NX
tel no: (01463) 702833 fax: (01463) 702830
mobile: 07748 320 071
e-mail: drew.hendry.cllr@highland.gov.uk

Appendix E - Business Risk Register

NICE – Old Social Work Building			Business Risk Register			Date :June 2013
	Risk Categories:	0-8 Low Risk	9-17 Medium Risk	18-25 High Risk		
Risk Area	Risk Identified	Probability Factor (1-5, with 5 being most probable)	Impact Factor (1-5, with 5 being most severe)	Risk Ranking (probability x impact = Risk value)	Risk Management	Risk Responsibility & Monitoring
1.0 Ownership/Legal						
1.1	Highland Council do not agree to sell for £1	4	5	20	Wide consultation with public and key stakeholders to develop the economic and social case for disposal of assets at less than market value. Research prior similar arrangements within Highland Council area.	NICE Management Committee
1.2	Legal impediments prevent sale of building or delay process unduly	4	4	16	Undertake a suitable legal due diligence exercise to ensure there are no legal burdens on the sale of the building	NICE Management Committee
1.3	An appropriate form of legal entity will be required to operate the building after renovation	3	4	12	There are a number of forms of legal entity that may be suitable, including the use of NICE itself as the landlord/operating agent. Equally it may be deemed more suitable to outsource management of the building to a commercial facilities management	NICE Management Committee

					company	
2.0 Building Condition Issues						
2.1	Some structural issues identified	5	5	25	Undertake complete structural survey and cost repairs prior to agreement on purchase of building	NICE Management Committee
2.2	Ensure alterations to building can accommodate flexible uses	3	4	12	Undertake comprehensive market testing and due diligence on potential tenants. Results based on public consultation, invitations for expressions of interest. Consideration of flexible partitioning, etc.	NICE Management Committee/ project managers
2.3	Building life cycle costs are high due to overall age of structure.	3	4	12	A maintenance sinking fund should be established by the building operators to ensure that repairs and maintenance are proactively undertaken and that the building retains its fit for the various purposes required of it.	NICE Management Committee
3.0 Financial						
3.1	Project costs overrun estimates	4	5	20	Close project management and liaison between construction team from procurement through to completion.	NICE Management Committee/ project managers
3.2	Cashflow problems result in inability to fund project development	3	5	15	Secure project funding mechanisms such as bank loan/ staged grant payments, etc. Maintain strong budgetary overview at all times.	NICE Management Committee/ project managers
3.3	Inability to generate sufficient grant in aid to allow project to proceed as anticipated	4	5	20	Ensure a wide spread of grant applications, work with contractors to develop a staged approach to redevelopment that would allow income generation or capped expenditure at key stages during redevelopment works.	NICE Management Committee/ project managers

4.0 Public Relations						
4.1	Negative PR as a result of public toilets closure during building works	5	3	15	Seek agreement with Highland Council on either temporary solution or alternative provision. Manage PR process to ensure public aware of issues.	NICE Management Committee/ project managers
4.2	Negative PR as a result of car parking disruption during building works	5	3	15	Ensure contractors have suitable site traffic management plan. Liaise with Highland Council Roads and Transport to minimise disruption to car parking areas. Manage PR process to ensure public aware of issues.	NICE Management Committee/ project managers
4.3	Public negativity towards certain types of tenants.	3	4	12	Inevitably not all people will agree with tenant selection. It will be important to ensure that minimal displacement occurs throughout Nairn and that all tenants selected have the potential to generate income/attract visitors and create wealth in Nairn.	NICE Management Committee/new operators/tenants
5.0 Marketing						
5.1	Difficulty in securing tenants for refurbished building	4	5	20	A marketing plan should be developed to identify target markets, pricing point and all aspects of promotion to attract tenants of suitable financial standing.	NICE Management Committee/new operators
5.2	Limited footfall	4	5	20	The marketing plan described above should include a comprehensive promotional campaign to initially attract customers. All tenants should buy-in to an overall ethos of quality to ensure repeat business. Building maintenance should ensure that the facility retains a fresh and inviting aspect at all times to attract passing trade.	NICE Management Committee/new operators

6.0 Business Operations						
6.1	Generation of rental income is hampered through lack of clear focus on the part of the building owners/operators	4	5	20	A comprehensive business plan should be developed to forecast income streams, operational costs, operational management processes, roles and responsibilities and reporting mechanisms for post-construction operation of the building	NICE Management Committee/new operators
6.2	Volatility of energy prices	4	5	20	Operators have little or no control over sharp increases in energy prices. To this end it is important to monitor energy use, providers pricing and undertake regular energy audits.	NICE Management Committee/new operators
6.3	Pricing policy out of synch with competitors	3	4	12	Rental pricing policy should reflect the needs of social/community focused tenants in addition to more commercially focused organisations. It should however remain competitive whilst ensuring maximum potential income generation. This should be linked to a marketing plan and regular monitoring of user numbers.	NICE Management Committee/new operators
6.4	Attracting sufficient user numbers	5	5	25	Passing vehicle numbers are currently very high however a comprehensive marketing strategy will be required to identify the best means of promoting the facility as somewhere desirable to stop. This is covered more fully in the marketing section.	NICE Management Committee/new operators
6.5	Sharp decline in passing trade as a result of Nairn by-pass opening	2	5	10	The proposed Nairn by-pass is likely to be some ten years away from construction at present. Prior to then it is anticipated that a strong reputation and loyal client base	NICE Management Committee/new operators

					can be generated to reduce the reliance on ad-hoc passing trade.	
--	--	--	--	--	---	--

Appendix F - Surveyors Structural Report



McKenzie Willis Ltd
22 Carden Place
Aberdeen
AB10 1UQ

Tel: 01224 639111

Our ref: 13058/FW

9th May 2013

NICE,
c/o HHL Scotland,
6 Cameron Crescent,
Nairn

Dear Sirs,

13058 – Inspection of the Old Social Work Building, Nairn

Further to your instruction our Fiona Willis carried out a visual non-intrusive inspection of the above property on 27th February 2013. The purpose of the inspection was to ascertain its condition and feasibility for converting into commercial premises.

Scope

The report is based on a visual inspection of the main structural elements of the property. In all aspects of a visual inspection we are expressing an opinion of structural adequacy and do not calculate the actual capacity of any elements. No examination of the timber has been made for deterioration due to infestation or rot and we would recommend that where any timbers are to be reused/retained that a specialist survey is carried out to examine this aspect. We have not inspected woodwork to any other parts of the structure which are covered, unexposed or inaccessible and we are therefore unable to report that any such part of the structure is free from defect.

External Inspection

The existing buildings are of traditional construction with sandstone walls, slated timber trussed roofs and timber first floor construction. The front building facing onto King Street and the return leg along Falconer Lane are two storeys with the building along Court House Lane being single storey. There is an additional single storey extension to the rear which is currently used as a public convenience. This will be demolished as part of the redevelopment work and was not inspected.

No 62, the right hand building, is two storey throughout. The rearmost section along Falconer lane appears to have been a 2 storey extension. There is also a single storey entrance area within the rear courtyard. No 60, the left hand building has the remaining two storey section to the front and the single storey building along Courthouse Lane. The roof structures throughout appear in reasonable condition, with the ridges appearing relatively straight and level.

Directors Andrew M McKenzie BEng (Hons) CEng MICE Fiona M Willis MEng (Hons)

McKenzie Willis Ltd Registered in Scotland Number 337322 Registered Office Amicable House 252 Union Street Aberdeen AB10 1TN

Falconer Lane Elevation

The stonework to the 'original' part of the building appears in reasonable condition. Photo 1 shows the general view of the elevation. There is some mortar loss and stone erosion over the lower courses which is likely to be due to the close proximity of the passing traffic, causing water to splash off the road surface onto the face of the building. There are cracks local to the central windows and areas of cement repointing.

The apparent extension to the rear appears to have settled causing cracking between it and the original building. Photo 2 shows the repointed crack. The upper storey right hand lintel has previously been replaced and the lower lintel has visibly dropped to the right hand side.

Photo 3 shows the stonework to the corner local to King Street. There is slight damage to the window ingo and the erosion to the stone is visible over the lower courses.

King Street Elevation

The stonework is again in reasonable condition along King Street. Photo 4 shows the front of No 62. There is delamination of stone to the first floor left hand lintel and the lower courses are slightly eroded and have mortar loss to the joints.

Photo 5 shows the front of No 60. Again there is some stone erosion and mortar loss but particularly to the upper storey at either end of the gutter, probably due to it being blocked and water pouring down the face of the building. The lintel over the door has deteriorated and is in need of repair. Photo 6 shows the door lintel, photos 7 and 8 show the erosion local to the left hand end of the building, again due to blocked gutters and photo 9 the mortar loss over the lower courses.

Courthouse Lane Elevation

The elevation is generally in reasonable condition. The gable end towards King Street has been repointed previously and there is mortar loss particularly over the lower courses. Photo 10 shows the gable and the arched lintel over the door which has been repaired due to damage/erosion.

There has been erosion of the lintels over the central windows and mortar loss, probably due to the hidden gutter detail allowing water to run down the face of the stone.

The lintel to the left hand door has had mortar loss to the joints below the supports resulting in the lintel dropping down to the left hand side. The stone to the door surround has also delaminated in places. The tabling and the return gable facing the car park have been damaged when an extension has been removed previously. The stonework has been repointed but the tabling remains chipped and in need of repair local to the gutter end. The gable has also been partly rebuilt local to the cells, in brick. Photos 11 and 12 show views of the elevation from the rear and the rear gable.

Rear Courtyard – Falconer Lane Building

The stone has been rendered in places and significantly repointed over the remaining part. Similar to the opposite elevation where the building appears to have been extended, there is a significant crack running down the elevation. Although this has previously been repointed it has opened up again. There is also cracking between the window and door. Photos 13, 14 & 15 show the elevation.

Rear Courtyard - King Street Building

The elevation has single storey entrances to both properties. The stonework to the upper storey appears to have been rendered but large patches are now missing leaving the stone exposed. There appears to be slight cracking to the joints down the centre of the upper storey and similarly local to the lintels of the right hand door and window. Photo 16 shows the elevation.

Rear Courtyard – Courthouse Lane Building

Similar to the rear of the King Street Building, the elevation appears to have been rendered with only limited patches still remaining. The joints to the stonework are generally quite open and there are several cracks local to the downpipe to the left hand side of the arched rear cell window. From the building plans this area appears to have been an extension and one of the cracks coincides with the join between the 2 parts of the building. Similar to the Falconer Lane building the 2 parts may have settled differently and due to a lack of tying together caused a crack at the joint. Photo 17 shows the elevation.

Internal Inspection

Access was gained to inspect No 62 internally. Parts of the property are in a poor state of repair due to damp/water damage. The cracking visible on the external elevations on the Falconer Lane building are visible within the plaster finishes internally, on both the walls and ceilings.

No access was made to No 60 due to keys not being available at the time of inspection. Photos supplied from a subsequent inspection by HHL Ltd show that it is in reasonable condition generally. There are signs of water ingress to the plaster, particularly to the single storey rear entrance area. There is a significant crack to the plaster local to the doorway through from the rearmost part of the building. Similar to the external cracking on the courtyard elevation this would appear to be caused by the 2 parts of the building not being tied together.

Conclusions/recommendations

Currently the building appears structurally sound and although there are defects which require to be addressed along with general maintenance, once repaired the properties could be converted and/or altered as necessary to form suitable commercial spaces. However, if left to deteriorate further, the defects could lead to major structural defects developing. Dependent on the change of use and the final proposed usage floor loading requirement consideration should be given to a design check being carried out on the suspended floors.

The open cracks between original parts of the building and later extensions would require to be raked out and the joints reinforced with suitably designed bed joint reinforcement to limit any future cracking. Internally the plaster finishes should be repaired but it should be checked to ensure the floor and roof structures are tied together at each of the locations in question to limit future cracking.

The open or repointed joints to the external stone need to be raked out to a minimum depth of 25mm or to sound mortar and repointed using a mortar sympathetic to the original build. Any render should either be completely removed or sympathetically repaired, to avoid further deterioration of the stone.

The eroded or delaminated stonework will require to be repaired/replaced to prevent further erosion and potential structural detriment to the building. Ideally any redevelopment would involve measures to protect the base course along Falconer Lane, to avoid future recurrence. Any blocked or leaking gutters and downpipes need to be cleared, repaired and maintained to avoid further deterioration.

Any areas where there has been water ingress should have the roof inspected and repaired as necessary, with the timbers in those particular areas internally inspected for rot, prior to repairs to any of the internal finishes. As previously noted we would recommend that a specialist timber survey is undertaken for the whole property.

We trust the above meets with your present requirements but should you require anything further please contact the undersigned.

Yours sincerely

Fiona Willis
For and on behalf of McKenzie Willis Ltd



Photo 1



Photo 2



Photo 3



Photo 4



Photo 5



Photo 6



Photo 7



Photo 8



Photo 9



Photo 10



Photo 11



Photo 12



Photo 13



Photo 14



Photo 15



Photo 16



Photo 17

Appendix G - Quantity Surveyor's estimate of refurbishment costs

MUNRO **CHARTERED QUANTITY SURVEYORS**

Michael A. Munro F.R.I.C.S.
e-mail: munrosurveyor@btconnect.com

Munro Surveyors
51 Strathspey Drive
Grantown-on-Spey
Moray
PH26 3EY
Tel: 01479 870111
Mobile: 07557 413931

Date 26/6/13

Alan Jones Assoc.
62 Boswell Road
Inverness
IV2 3EJ

Dear Mr Jones,

NICE, KING STREET, NAIRN

Further to our site meeting and receipt of the plans for the proposed refurbishment
And extension of the above, I would advise you that the Indicative Costs are as follows -

- | | | |
|---|---|------------|
| 1 | General items, demolition of toilets, site clearance, roof and structural repairs, scaffolding, refurbish courtyard, timber treatments, signage etc | 43,000.00 |
| 2 | Section 1 - King Street Tourist Centre - remove stairs and partitions, demolish rear extension, new metal stair, partitions, lift installation, new entrance lobby, electrics, plumbing and heating, taping and decorating, new windows and doors, floor coverings etc. | 78,000.00 |
| 3 | Section 2 - New Public Toilets - remove all existing partitions etc., repairs to walls and ceilings, new partitions and doors, toilet cubicles, sanitary ware, plumbing, heating and electrics. New windows, lockable door to Tourist Office, taping and decorating, floor coverings etc | 23,000.00 |
| 4 | Section 3 - New Retail Unit - remove partitions, new windows and doors repairs to walls and ceilings, electrics, plumbing and heating, sanitary ware, internal doors, taping and decorating, floor coverings | 11,000.00 |
| 5 | Section 4 - Falconer's Lane - remove existing partitions and stairs, ducting counters etc., remove existing sanitary ware and plumbing etc., repairs to walls and ceilings; new entrance door, block up doors, new metal stair, new windows, form new partitions, doors, etc.. Form gallery above, new commercial kitchen, lift installation, joiner finishings, electrics, plumbing and heating, sanitary ware, taping and decorating, floor coverings | 124,000.00 |



V.A.T. Reg. No. 671 4207 49

6	Section 5 - External Works - new pavement to Falconer's Lane, hard landscaping, soft landscaping, street furniture, front boundary	<u>30,000.00</u>
		309,000.00
7	Contractor's Preliminaries	<u>15,000.00</u>
		324,000.00
8	Contingencies	<u>20,000.00</u>
		344,000.00
8	Project Manager Fees	30,000.00
9	Professional Fees	<u>35,000.00</u>
		409,000.00
10	V.A.T. 20%	<u>81,800.00</u>
	TOTAL COSTS	<u>£490,800.00</u>

Please note that these are based on the general specification and description of the works required to form the new tourist office, toilets, restaurant and courtyard etc..

Once we have further details, these figures can confirmed and adjusted as the design phase evolved.

Yours sincerely



M A MUNRO

Appendix H - Scottish Government Recognition Under Right to Buy

Agriculture, Food and Rural Communities Directorate
Food, Drink and Rural Communities Division

T: 0300 244 9822 F: 0300 244 9990
E: crtb@scotland.gsi.gov.uk



Mr Michael Barnett
Nairn Improvement Community Enterprise
Drumdelnies
by Nairn
IV12 5NT



Your ref:
Our ref: ZLA/15/1

7 August 2012

Dear Mr Barnett

**LAND REFORM (SCOTLAND) ACT 2003
PART 2: COMMUNITY RIGHT TO BUY
NAIRN IMPROVEMENT COMMUNITY ENTERPRISE**

I am writing to confirm that, under section 34(4) of the Act, Scottish Ministers are content that the main purpose of your community body, Nairn Improvement Community Enterprise, is consistent with furthering the achievement of sustainable development.

Please note that section 35(1) of the Land Reform (Scotland) Act 2003 still applies and any future changes to the Articles of Association will require the written consent of the Scottish Ministers, through the Scottish Government, Agriculture, Food and Rural Communities Directorate (or its successors).

We would strongly advise the Community Body to contact us to discuss any issues or procedures relating to submitting an application and we can be contacted using the details at the top of the page.

Yours sincerely

IAN HERON
On behalf of Scottish Ministers

B1 Spur, Saughton House, Broomhouse Drive, Edinburgh, EH11 3XD
www.scotland.gov.uk



Appendix I - Independent Property Valuation Report

Inverness Office

Lyle House, Fairways Business Park
Castle Heather
Inverness IV2 6AA



Tel: 01463 239494

Fax: 01463 711061

Email: inverness@alliedsurveyorsscotland.com

24th May 2013

For the attention of:

Matthew Hilton
Nairn Improvement Community Enterprise
C/o HHL Scotland
6 Cameron Crescent
Nairn
IV12 5DY



Dear Sirs

Valuation of former Social Work Building, King Street

In accordance with your instructions of 26th April, we have inspected the above property and also plans of the existing building and proposed redevelopment in order to advise you on the value of the subjects.

The property is well known to you and therefore we have dispensed with any detailed description in the context of this report.

General Description

The subjects comprise a series of traditional buildings fronting the A96 within Nairn town centre and presently the ownership of Highland Council who formerly occupied the property for operational purposes. The buildings are principally of traditional masonry construction under pitched slate clad roofs and we have assumed that the subjects extend only to the solum of the existing buildings and the immediate periphery. We have further assumed that all mains services are connected or immediately available.

Proposed Development

You have provided us with floor plan demonstrating our proposed redevelopment of the property to include tourist information facilities, museum display, retail accommodation and a bar/restaurant facility, occupying the existing floor space.

For the purposes of advising on the value of the completed development, we have assumed that all works in this connection will be undertaken to a high standard and in compliance with all current Planning and Building Regulations. We have also assumed that the development will have use of adjacent public car parking.



ALLIED SURVEYORS SCOTLAND PLC
Company No: SC180267, Registered Office: Herbert House,
24 Herbert Street, Glasgow G20 6NB

alliedsurveyorsscotland.com

Regulated by RICS



Certificate No. 28321



015

Market Conditions

At the present time, the underlying economic and banking background remains very uncertain and many commercial development proposals are stagnant as a result of the scarcity of funding and limited demand from occupiers. Retail property, in particular, is suffering due in part to the changing patterns of retail activity and the growth in on-line transactions and many traditional town centres are experiencing a high level of shop property vacancies as a result. Nairn has not escaped this and at the present time there are a number of empty properties within the town centre.

The existing subjects, requiring full redevelopment are likely to attract only modest market interest owing to the development funding restrictions referred to above.

The subject property occupies a very prominent situation with a frontage to the A96 trunk road and with ample car parking available close by. There are, accordingly, good reasons to believe that occupational demand for the proposed accommodation would arise in the open market at this time.

We have some reservations concerning the planned layout and the use of part of the most prominent section of the building for public toilets. It is likely that additional value could be realised if this space was made available for retail use. Furthermore, we note that the "museum" space occupies very restricted cellular space with no day lighting and would suggest that there is merit in exploring options to utilise this, or other rear-facing areas for the public toilets.

We also recommend exploring options for further development of the site to provide additional restaurant accommodation.

We have attempted to reflect these market factors in arriving at our undernoted valuations.

Valuation

After full and careful consideration, we are of the opinion that the Market Value of the existing subjects, as described is fairly stated in a figure of **TEN THOUSAND POUNDS (£10,000)**.

On the basis of the assumptions set out we are of the opinion that the Market Value of the proposed development on completion is fairly stated in a figure of **TWO HUNDRED AND FIFTY THOUSAND POUNDS (£250,000)**.

Terms and Conditions of Engagement

Set out below are the terms of engagement and assumptions upon which our valuations and reports are prepared, unless otherwise referred to, and which form an integral part of our valuation report and apply to the valuation(s) which are the subject of this instruction. In reporting the valuation we will meet the relevant requirements of the RICS Valuation – Professional Standards and shall make certain assumptions in relation to facts and other matters which we shall not verify and in the event that any of these assumptions prove to be incorrect then our valuation(s) may require to be reappraised/reviewed.

1. VALUATION AND ADVICE/BASIS/BASES OF VALUATION

The purpose of the valuation shall be as agreed between the client/the client's representative and the Valuer. The basis/bases of valuation will be set out in the Letter of Engagement and are more particularly defined within our valuation report.

Unless otherwise agreed the basis/bases of valuation to be provided will be as prescribed by the RICS Valuation – Professional Standards.

The basis/bases of valuation where a number of properties form part of the subject of valuation the properties will be valued individually and any overall valuation figure provided assumes the aggregate of the parts forming the whole. It is further assumed that should the need for a disposal arise the individual properties would be marketed in an orderly manner.

All amounts expressing value are quoted in pounds sterling [£].

2. SCOPE OF INSPECTION

Our inspection of the subjects is for valuation purposes only and, accordingly, no detailed examination of the fabric will be undertaken. Our valuation will take account of the general condition of the property as observed from the valuation inspection which shall generally comprise a visual inspection of the exterior and interior of the property, such as can be undertaken from standing at ground level within the boundaries of the site and adjacent/public communal areas and which is readily accessible with safety and without undue difficulty. We will not carry out a building survey of the subjects nor will we inspect woodwork or other parts of the structure which are covered, unexposed or inaccessible and we are, therefore, unable to report that any such parts of the property are free from defect. Our report does not purport to express an opinion about or to advise upon the condition of uninspected parts and should not be taken as making any implied representation or statement about such parts. We will make an assumption that the property is free from any rot, infestation, adverse toxic chemical treatments and design or structural defects other than those which may be mentioned in our valuation report.

No ground, geological or other site investigations will be undertaken. We will make the assumption that the load bearing qualities of the site are satisfactory and capable of coping with the buildings erected thereon or, indeed, any buildings to be constructed thereon. Further we will assume that it is not land-filled ground; there are no abnormal ground conditions, archaeological remains or any other factors which may adversely affect the occupation, development or value of the property.

We will inspect the property and will either carry out a measured survey, will calculate floor areas from plans provided by the client/the customer or will apply floor areas in certain circumstances as provided by the client/the customer. All measurements will be in accordance with the current Code of Measuring Practice as prepared by the RICS, albeit in the event that floor areas are provided to us we shall assume that they have been calculated in accordance with the current Code of Measuring Practice.

When a site plan is provided the boundaries will be assumed to be as generally indicated on site, although no checks will be made in this connection and the site area[s] are subject to verification from the title deeds.

We will not arrange for investigations to be made to determine whether any deleterious materials, such as high aluminous cement concrete, calcium chloride additive, wood, wool, slabs or the likes have been used or since incorporated into the structures and, accordingly, we will not be able to confirm that the property is free from any risks in this regard. For the purposes of our valuation(s) we will make an assumption that any such investigations would not reveal the presence of such materials.

No specific tests will be carried out on any of the service installations for the purposes of the report and valuation(s) and, therefore, no guarantee can be given that they function satisfactorily. We will make the assumption that all services, including gas, water, electricity and drainage are provided and are functioning satisfactorily.

No allowance will be made for any items of plant or machinery which do not form part of the service installations of the subjects. Our valuation(s) will include all items which are in the nature of "landlord's fixtures" but will specifically exclude all items of plant, machinery, equipment and the likes wholly or primarily installed in connection with the occupants business, such as furniture, equipment, stock or other business assets. In respect of properties in the course of development or requiring refurbishment unless otherwise referred to in the Valuation Report we have relied upon all information relating to construction, associated costs and the likes in respect of both the work completed and the work necessary for completion together with a completion date as advised by the owner/the client or their professional advisers. In addition, our valuation of the completed building has been based on an assumption that all works of construction have been completed satisfactorily in accordance with the specifications provided to us and in full compliance with all Local Authority Regulations. It has also been assumed that a Duty of Care and all appropriate Warranties will be available from the professional advisers, the contractors and will be assignable to all third parties.

Unless specifically stated, no account will be taken in our valuation(s) of any business goodwill that may arise from the present occupation of the property.

2. PLANNING

We have not made any formal searches or enquiries in respect of the subjects and are, therefore, unable to accept any responsibility in this connection and would recommend that this is further investigated the client's Legal Advisers by way of formal Property Enquiry Certificates.

Most Planning Authorities will not provide verbal information and as such require a formal written application for information which in most cases will involve a charge. Unless instructed otherwise we will not undertake any formal written application for information.

We may make verbal enquiries of Officers within the Town Planning Division of the relevant Local Authority but it must be noted that any written information supplied on this basis cannot be relied upon as it is the view of the individual Officer and not that of the Council and is supplied to us on that understanding. We have, however, assumed that a full planning history and further formal enquiries will be conducted by the client's Legal Advisers.

We have assumed that the property has been constructed and is being used in full compliance with all valid Town Planning and Building Regulation approvals and that the property is fully compliant with all relevant statutory requirements. Similarly, we have also made the assumption that the property is not subject to any outstanding Statutory Notices.

If we are instructed to value a property with the benefit of a recently granted planning consent or on the special assumption that planning consent is to be granted we will make an assumption that it will not be challenged under judicial review.

3. STATUTORY MATTERS

No allowance has been made for any obligations or liabilities whether prospective or accrued under the Defective Premises Act 1972.

Unless advised to the contrary we will assume

- (i) In terms of the Control of Asbestos at Work Regulations we will assume that there is a duty holder as defined therein and that a Register of Asbestos and Effective Management Plan is in place which does not require any immediate expenditure or pose a significant risk to health or breach the HSE Regulations. We recommend that such enquiry be undertaken by the client's Legal Adviser as a condition of any offer/loan funding.
- (ii) That the property has the benefit of a current Fire Risk Assessment compliant with all requirements of the current Fire Regulations.
- (iii) That an appropriate Access Audit is in place and that all necessary works have been implemented and that the premises are fully compliant with the terms of the Disability Discrimination & Equality Acts.
- (iv) That an EPC has been provided compliant with existing legislation.

4. ENVIRONMENTAL MATTERS

We shall make verbal enquiries only in relation to environmental matters, including contamination and flooding.

Allied Surveyors Scotland PLC or any qualified employee, director or otherwise providing advice as to valuation are not qualified to undertake scientific investigations of sites, buildings or neighbouring premises to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify the potential for contamination. Accordingly, we shall not provide a formal Environmental Assessment of these subjects.

We will not carry out an inspection for the purpose of identifying Japanese Knotweed, Giant Hogweed or any other particularly prevalent invasive species of vegetation. Unless otherwise stated, our valuation advice will assume that there is no harmful/invasive vegetation within the subjects or any neighbouring properties.

If our enquiries lead us to believe that the property/subjects are unaffected by contamination or other environmental problems and unless instructed otherwise our valuation will be based on the assumption that no contamination or other adverse environmental matters exist in relation to the subjects which would adversely affect the valuation(s). It must, however, be appreciated that in certain circumstances we may issue a valuation report on the special assumption that the subjects are not affected by any environmental matters and while this is a departure from the requirements of the RICS in these circumstances the valuation report will include a recommendation that further investigations should be undertaken to identify any environmental matters and quantify the costs and that once such reports and estimates are available our valuation(s) should be reviewed.

There are instances whereby depending on the nature of our enquiries/investigations our valuation report may include a statement that a prudent purchaser may undertake further investigations and in the event that these reveal contamination or other environmental issues then this might reduce the value(s) reported.

Where our enquiries lead us to believe that the property is unaffected by contamination or any other environmental problems unless instructed by you otherwise our valuation will be based on the assumption that no contamination or other adverse environmental matters exist in relation to the property in a manner sufficient to affect value.

5. TENURE, TITLE AND/OR TENANCIES

Unless otherwise stated we have not inspected the title deeds, leases and related legal documents and unless otherwise disclosed to us we have made the assumption that the titles are good and marketable and are free from any rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoings. We shall also make the assumption that the property is free from mortgages, charges or other encumbrances.

If a solicitors report on title has been provided to us our valuation advice will have regard to the matters therein and shall rely wholly on the information provided by this third party. Similarly, if a solicitors report on the leases/tenancies has been provided to us our valuation(s) will have regard to the matters therein and shall rely on the information provided by the third party without liability. In the event that no such documentation is supplied in relation to the leases/tenancies our valuation(s) will be based on the assumption that no questions of doubt arise as to the interpretation of the provisions within the leases.

6. LEGAL MATTERS

Interpretation of matters relating to title and leases may have a significant bearing on the value of an interest in property. Any interpretation of legal documents and legal assumptions or opinions thereon as stated within the report is subject to verification by the client with a suitably qualified solicitor if they are to be relied upon. We accept no responsibility or liability for the true interpretation of the legal position of the client or other parties in respect of the valuation.

7. INFORMATION

When preparing our valuation we have based our opinion on information supplied to us by the client/customer and have made the assumption that this is both full and correct and have only attempted to obtain verification where there appears to be a risk of doubt. All information supplied to us by the client/customer or other connected parties if to be relied upon should be verified through formal legal enquiries.

8. TAXATION

When preparing our valuation advice no allowance has been made to reflect any liability for taxation which may arise on disposal, nor for any cause associated with disposal incurred by the owner. In addition, no allowance will be made to reflect any liability to repay any grants or similar covenant funding or taxation allowance that may arise on disposal.

We are not aware if VAT is chargeable on a disposal and for the purpose of this report we have assumed that this aspect would not affect our advice.

9. ESTIMATED REINSTATEMENT COST FOR INSURANCE PURPOSES

If requested we provide an estimate as to the reinstatement cost for insurance purposes but will not carry out a reinstatement cost assessment through our Buildings Department. The assessment advice should be treated as a guide only and should not be relied upon. Indeed, if an accurate figure is required a formal Reinstatement Cost Assessment should be commissioned from a suitably qualified surveyor.

Our estimated reinstatement cost for insurance purposes will be our assessment of the cost of reconstructing the property at the date of valuation. It will include an allowance for demolition, site clearance and an estimate as to professional fees which are likely to be incurred but will exclude any allowance for VAT. The figure will make no allowance for loss of rent, the cost of alternative accommodation or the cost of dealing with any contamination which may be present and have to be dealt with as part of the rebuild.

We will assume that the building, its use and design will be similar to that as existing but that the reconstructed building will not necessarily use the same materials or techniques as the original structure.

We will assume that the subjects can be reasonably insured in their current state against all usual risks and at acceptable premiums.

10. PUBLICATION STATEMENT

The Valuation Report will be provided for the stated purpose[s] and for the sole use of the named client and its professional advisers. It will be confidential to the client and the client's professional advisers/representatives. The Valuer accepts a responsibility to the client alone that the Valuation Report will be prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor, but accepts no responsibility whatsoever to any parties other than the client. Any such parties rely upon the report at their own risk. Neither the whole nor any part of the Valuation Report nor any reference thereto may be included in any published document, circular or statement, nor published in any way without the prior written approval of the Valuer as to the form and context in which it may appear.

11. COMPLAINTS

Allied Surveyors Scotland PLC has a Complaints Handling Procedure, a copy of which may be obtained by contacting Allied Surveyors Scotland PLC, Herbert House, 24 Herbert Street, Glasgow G20 6NB.

The valuation report may be subject to monitoring under the RICS under its conduct and disciplinary regulations.

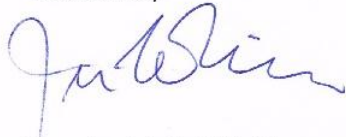
12. LIMITATIONS

We will not be responsible or accept liability for any consequential loss as a result of our valuation. We will only be responsible for such sum which it would be just and equitable for us as surveyors to pay having regard to the extent of our responsibility and the involvement of

other parties. We acknowledge that you will rely upon our findings but we urge you to seek expert advice on areas outside our expertise, these areas are detailed within the terms provided.

We trust the foregoing is sufficient for your present purposes. Should you require further information or advice, please do not hesitate to contact us.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'J. B. Smith', is written over the closing 'Yours faithfully'.

For and on behalf of Allied Surveyors Scotland PLC

JLC/BJM

Enc.