



Solutions for Scottish Business Ltd

# Kyle of Sutherland Development Trust

## Part 2: Project Priority Plan Outlines

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## Introduction

The following plans and cost indicators are an initial outline of potential projects for The Kyle of Sutherland Development Trust (KoSDT) to progress in the next 3 years. This would enable the current board of trustees and project manager to bring to fruition their enthusiasm and focus on the growth and regeneration of the Kyle of Sutherland area.

The main focus for KoSDT is to develop tourism branding and businesses. There is no shortage of skills or passion within the current team and with the right opportunities, the economic strength of this bypassed area should be greatly improved.

A commitment to community development and empowerment, through established local groups, together with meaningful projects is vital to reverse the decline and foster sustainable growth in the Kyle of Sutherland area. The board of trustees are fully aware that KoSDT cannot work in isolation and needs to ensure the wider community is firmly on board when launching new initiatives.

The four core areas for action were identified through the surveys, detailed discussions with businesses, key individuals in the community and with local groups, and in discussions with the Trust itself.

## Project Plan 1 – Tourism

Based on the recommendations of the community and business research, tourism was identified as a major priority for the area.

Concern was expressed at the negative impact of a number of factors in the area primarily lack of facilities and quality accommodation; poor marketing and poor transport links and road infrastructure.

The proposed branding of the area as Salmon Country was perceived as too restrictive by a significant proportion of respondents and consultees.

### Area Branding

An investment in marketing the area has been identified as a priority for Kyle of Sutherland and as a project for the Trust.

A key objective of developing a tourism strategy is to market the area for the benefit of local businesses, and local communities.

To ensure the community and local businesses buy into area branding, the following actions are required:

- *Discuss the plan with local businesses for further understanding, opinions and suggestions.*
- *Further meeting with public sector agencies in the area to discuss issues and priorities.*
- *Refine proposal/strategy in light of feedback, comments and budgets.*

### Delivery

It is recognised that the development and delivery of the tourism strategy as part of the Development Trust will require a great deal of time and effort, particularly in its early stages with funding applications, buy in and set up. For this reason, we suggest that support staff are identified to assist the Project Manager.

Creating a logo and tag line is not destination marketing. It has to be rooted in the sense of place and the people; it must mean something to internal and external people. It must be deliverable and real.

KoSDT has to show leadership whilst working in partnership; have clear and open communication and deliver on promises ensuring the relevance of the message and how impact is measured.

### Background

Kyle of Sutherland is a distinctive geographic area in Central Sutherland covering an area of 680 square miles and a population of just under 3,000 people. The creation of the Dornoch bridge and re-routing of the A9 arterial trunk road away from Ardgay and Bonar Bridge,

combined with the area's relative invisibility as a destination in its own right, means that settlements are bypassed by many due to lack of signage, understanding of the area's facilities and natural and cultural assets, and general sense of place. The decline in local based business and the loss of local employment opportunities, and the consequently aging population has created a community facing many challenges.

### Why look at tourism?

Tourism, as one of the world's largest economic sectors and one which is growing steadily, can be a significant contributor to economic growth. It is generally labour intensive and highly dependent upon natural capital (e.g. wildlife, scenery) and culture, which Kyle of Sutherland has in abundance. The recent community and business consultation clearly prioritizes tourism as the key factor for creating area wide regeneration and creation of business opportunities.

The aim is therefore to initially focus on Micro Tourism, businesses that employ less than 10 people and with turnovers under £1m that results in increased net benefits for the community, based on an approach to tourism development and management that enhances the linkages between tourism, businesses, and community. In this way tourism's contribution to local regeneration is enhanced and local people are able to participate more effectively in the growth of their area.

Links with many different groups within the community need to be considered: employees of tourism businesses, neighbouring communities, landowners and land managers, producers of food, fuel and other suppliers, operators of micro tourism businesses, craft makers, other users of tourism infrastructure (roads, rail) and resources (water) etc. Providers of other services that visitors might use (but that are not in themselves tourism businesses) e.g. local shops, pubs, public leisure facilities, etc. also need to be involved.

There are many types of community based local people orientated tourism strategies, ranging from increasing local employment to building mechanisms for consultation. All types of companies can be involved in low cost tourism; lodges, hotels, B&Bs, visitor attractions, tour operators, infrastructure developers etc. The critical factor is not the type of company or the type of tourism, but that an increase in the net benefits that go to the community can be demonstrated.

### Kyle of Sutherland Tourist Structure

At present there is a deficit of necessary tourist provision within the area, with the recent loss of Carbisdale Youth Hostel and Shin Falls Visitor Centre having a devastating impact on the local economy and on employment.

There are less than 400 tourist bed spaces available in the area (including Lairg), equal to  
*22 B&B, Guest House, Hotel*  
*12 Self Catered/caravan parks.*

At present demand is being increased from contractors working in the area and in the nearby recent investment in Nigg. This spin-off market is transient and has no guaranteed sustainability in the longer term and should be considered to be a bonus rather than a core market.

Average per capita daily tourist spend in Kyle of Sutherland is significantly lower than in the Highlands overall. This may be partly due to the lack of tourist outlet businesses; therefore visitors have fewer reasons to stop or opportunities to spend money in the area.

### General Trends

Across the Highlands as a whole, there has been a substantial increase in the volume and value of UK Tourist Trips to the area for the last 10 years. UK tourists account for almost 90% of all visits and over 80% of all tourists spend money in the region. However, the average per capita spend of each UK tourist has dropped as the average length of stay has declined. This is due to the growth of short break and second holidays that has been seen across all of Scotland.

Conversely, there has been a substantial drop in the volume and value of overseas tourism in the Highlands over many years. There has been a decline in overseas tourism across Scotland as a whole, but the drop is more pronounced in the Highlands. This is due to a variety of reasons, the growth of short city breaks, terrorism, global recession etc.

It therefore follows that Kyle of Sutherland should focus on the UK tourism market, particularly for short breaks and second holiday. Activity and Special Interest Tourism is another untapped market that can be exploited for the reasons listed below.

### Kyle of Sutherland

The variety and abundance of natural resources provide the area with many opportunities to promote itself as a tourist destination distinct from those already marketed.

- *One of the last wildernesses in Europe*
- *Mixture of evergreen, deciduous woodland and moorland*
- *Botanical and geological diversity*
- *Trout and salmon fishing*
- *Deer stalking*
- *Outdoor pursuits*
- *Walking, Munros, Corbetts, low level and multi access trails*
- *Mountain biking, quiet road biking*
- *Kayaking and canoeing, lochs and rivers*
- *Historical heritage*
- *Ideal central base to tour Far North and North West of Scotland*

## Tourism Marketing Plan for the Kyle of Sutherland

The vision is to create an area with strong infrastructure, employment opportunities and create visibility that the area is not just a place to bypass or pass through but offers plenty of reasons to stop, stay, and spend.

### Strategy

“Kyle of Sutherland: The Salmon Country” has been identified as a potential branding and area wide vision. This has strong connotations but with appropriate clarification of values and design it can be expanded beyond the present estate market. Kyle of Sutherland boasts some of the finest salmon fishing in Scotland and aside from those directly participating in the sport it is also of interest to non-fishing visitors, as can be seen in other locations such as Pitlochry Dam.

### Aim

- *Place a long term image in potential visitors’ minds*
- *Illustrate the unique characteristics that people do not have on their door step*
- *Supported by breath taking photographs, specific how to visit information*
- *Consistent messaging across all activities and events*
- *Linking activities and providers to the theme*

<b>Increase economic benefits</b>	<b>Enhance nonfinancial livelihood impacts</b>	<b>Enhance participation and partnership</b>
<ol style="list-style-type: none"><li>1. Boost local employment, wages</li><li>2. Boost local enterprise opportunities, startup and survival</li><li>3. Create collective income sources fees, revenue shares for reinvestment in further community ventures</li></ol>	<ol style="list-style-type: none"><li>1. Capacity building, training, community confidence and civic pride</li><li>2. Address competing use of natural resources</li><li>3. Improve social, cultural impacts</li><li>4. Increase local access to infrastructure &amp; services</li></ol>	<ol style="list-style-type: none"><li>1. Create more supportive policy/planning framework</li><li>2. Increase participation of the community in decision making</li><li>3. Build community partnerships with private sector. The Development Trust model is ideal to enable communities to pursue their aspirations.</li><li>4. Increase flows of information, communication</li><li>5. Community ownership of local assets.</li></ol>

### Mission & Objectives

**Creating a destination focus** can be achieved through proactive initiatives between the community, business and government agencies to stimulate economic linkages, local participation and partnerships.

*Objective 1: Develop area branding, promotional material and online presence 2014 Target 1: Increase tourist footfall year on year*

*Target 2: Increasing visitors' average spend and length of stay, year on year*

*Target 3: Increase number of active tourist based businesses*

*Target 4: Increase sustainable and flexible employment levels*

*Objective 2: Create networks, partnerships and links between KOS businesses for variety of specialist holiday offerings*

*Target 1: Increasing visits throughout the year, not solely in the main holiday season*

*Target 2: Growing the distribution of tourism across the region*

*Target 3: Establishing area wide events that appeal to different cross sections of the market*

*Target 4: Developing coordinated and linked holiday package/linkage for each recognised unique market 2015*

## Product

“Kyle of Sutherland: The Salmon Country” could become a branded destination, formed through community networking between local businesses, hospitality providers, and interested groups. It capitalises on the natural resources of the area being tourism attractions in their own right.

A local attraction would need to be developed to act as a focal point, supplementing existing businesses and to provide a hub for future growth. Further research into the exact nature of this asset is required. A viable timescale would be to look at this development being set up for 2015 onwards.

## Finance

The following are estimated minimum budgets for creating and promoting a destination brand.

Design consultancy	£20,000
Website & online	£15,000
Offline and collateral	£20,000
Area signage	£10,000
Exhibition attendance (UK)	£15,000
Training and support for local business Local area events for community and Business	£15,000
3 Events – visitor events	£5,000
Project manager (per annum)	£10,000
	£25,000
Total Costs	£135,000

Additional funding could be attracted for providing the established businesses and start-ups with regeneration improvement. Funds of up to £2 million can be accessed through Heritage Lottery and Conservation Regeneration Schemes. The support of this money would allow roll out of the projects identified as longer term.



## Community Events

A number of events should be developed to attract both day visitors and locals. There is potential to capitalise on the growth in adventure sports, cycling and walking. The requests for food, drink and music events could be supported through the established gala weeks and community festivals.

A good aim would be to hold five separate events over a year to promote vibrancy, business and community success. Events can become an important part of the community calendar as well as creating income in the local economy. The provision of well-organised and effectively promoted events can positively enhance overall quality of life, promote a sense of community and help to raise the profile of an area.

Kyle of Sutherland Development Trust is well-placed to maintain a pro-active role in developing events that benefit the local businesses and contribute to the vibrancy of the community. Where events and markets are not organised by the Trust, it is still clearly inside its remit to support the organisers in principle and assist in successful outcomes. To help create best practice for this, an events policy will need to be defined by the committee.

The following events have potential interest and benefits, or have already been identified by the Trust:

- *Mountain Bike Orienteering Event*
- *Community garden space Launch Event*
- *Kyle of Sutherland Get Active Event*
- *Ultra Marathon Team Event*
- *Kyle of Sutherland: Salmon Country Community Event*

## Project Plan 2 - Streetscaping

### Introduction

It has already been identified that accessing funding and facilitating improvements to the signage and general physical improvements to the villages would enhance the sense of care and attractiveness, making the area more appealing. If sensitively implemented, taking into account the existing assets of these locations, streetscaping should encourage visitors to stop, explore and bring additional income to the area.

A Rural Streetscape Plan is needed for the development of the three core villages within the Kyle of Sutherland: Ardgay, Bonar Bridge and Rosehall.

The intent is to improve the physical and visible qualities of the core areas of each village and enhance the physical and natural attributes such that they complement each other. The historic and geographic linkages between Ardgay and Bonar Bridge are also vital to the success by generating and strengthening the connections between both villages.

Streetscaping elements can include improved and themed lighting, street furniture, decorative pavements and paths, signage and landscaping measures. This should also include an area for local involvement in creating an Intergenerational Community Garden for the Kyle of Sutherland. An Intergenerational Community Garden is also a key factor in securing external funding, aside from binding local groups and individuals into the overall project.

### Objectives

Objective 1 - To create community involvement in the development of the area

Objective 2 – To break down the barriers between the age groups through a shared activity that is enjoyable and life-enhancing and that will result in something permanent of which they can be proud.

### Product & Services

In order to provide support, training and access to funding for signage and improvements to the physical environment, the Trust would need to work in partnership with The Highland Council. The partnership would help to identify potential sites for a community garden and to create an area-wide plan for streetscaping. Any streetscaping should incorporate a general theme that could be adopted by the three villages.

A part-time landscape project worker would ensure that the community is supported by the Trust and ownership is across the generations, the villages and the stakeholders. Funding for this position might be sourced as part of the Intergenerational Community Garden initiative.

### Market Analysis

The connections between the three villages of Ardgay, Bonar Bridge and Rosehall as well as across the generations could be stronger. This was reflected in the community surveys. A sense of shared space can create community links and provide opportunities for people of different ages to work and learn from each other.

There are a number of areas of land between Ardgay and Bonar Bridge, and along the waterside for developing natural and aesthetically pleasing green spaces, to complement the natural beauty of the area.

The village signage in all three locations is out of date with many signs left over from closed businesses. There is little or no sense of civic pride within the villages' physical furniture, something that is clearly divergent from the strong sense of ownership the community feels for the area.

Towns such as Alness in Ross-shire have clearly developed and regenerated through strong community and Council involvement with active participation in “Britain in Bloom” showing what can be achieved. An elderly local resident supplied us with details of a Community Play Garden in Chapelhay, Dorset that provides a safe and attractive focus for the local community. Similar activities in Kyle of Sutherland could bring equivalent long-term economic and socially cohesive benefits.

### Social, Environment & Economic Impacts

**Social impact** – The creation of a joined-up community across the generations and between the villages can help with regeneration and increase a sense of local ownership of the area. Increased involvement with neighbours increases life expectancy, life quality, and lowers health problems through combating loneliness caused by social isolation.

**Environmental impact** – Landscaping and creating natural flower wilderness will help increase the biodiversity of wildlife such as bees and other essential pollinators. Surprisingly, the semi-urban environment of the three villages is relatively devoid of wild land for sustaining and nurturing fragile flora and fauna. Good streetscaping also encourages people to be more active through walking and cycling by improving pedestrian safety and by reducing risks from larger vehicles.

**Economic impact** – The improvements to the villages and the linkage between them would create a more visitor friendly environment. This would clearly encourage people to park and spend more time/money in the area rather than driving through. The increase will also assist in attracting businesses by creating a more vibrant feel to the area.

### Finance

Estimated Start-Up Costs for green space project

Project Officer	£15,000
Project set up/running	£5,000
Architect	£5,000
Plants	£10,000
Equipment	£2,000
Misc.	£10,000
Total Cost	£47,000

Estimated costs for streetscaping are up to £500,000 and are loosely based on the recent funding awarded to the town of Keith for this purpose. A more detailed analysis of projected costs would be needed if this project was adopted in principle.

### Project Plan 3 - Hotel Purchase - Holiday Accommodation

## Introduction

This project is for the Community Purchase of an established hotel in Kyle of Sutherland, to provide a basis for developing tourism business, local training opportunities, and sustainable employment.

## Objectives

Objective 1 - To drive tourism into the Kyle of Sutherland as a destination and as a hub

Objective 2 – Provide well valued serviced, comfortable accommodation for visitors

Objective 3 – Provide a quality venue for businesses and locals

## Products & services

The hotel would be open all year and provide visitors with a choice of accommodation. The hotel would also have a family restaurant open to non-residents for local people to use throughout the year.

## Market Analysis

There is a marked shortage of quality accommodation in the area as a whole, with only a few Bed and Breakfast establishments, poorly managed hotels, no youth hostel and limited self-catered accommodation for tourists to choose from. There is also a lack of venues for businesses to take guests and for locals to socialise. This need was reflected across all sectors of the consultation. With the promotion of the area and branding of the Kyle of Sutherland, and the natural resources including mountain bike tracks at Carbisdale and Balblair, there are more tourists wishing to visit the Kyle of Sutherland, but the lack of accommodation and eating establishments is prohibitive. A community owned and managed hotel can place tourism in the heart of the community and help raise the standards of other businesses, while providing positive spin-off for cafes, shops and other visitor attractions.

## Social, Environment & Economic Impacts

**Social impact** – The development of such a project would help to breathe new life in to the area, which has been in decline since the opening of the Dornoch Bridge, giving the local community a focused way to draw visitors to the Kyle of Sutherland and to improve their own lifestyle.

**Environmental impact** – No new build may be needed, as potential buildings already exist. If an existing property can be redeveloped, the reinvestment and regeneration would secure an asset that could otherwise be lost to the community.

**Economic impact** – A hotel that offers accommodation for tourists and restaurant for local people can provide employment and training and act as a spring board for the development of other quality tourism-based businesses.

## Finance

### Estimated Start-Up Costs for purchase of hotel (10 bedroom)

Hotel Costs	£350,000
Fixture & Fittings	£125,000
Office & Staff fittings	£40,000
Other expenses	£10,000
Business setup and marketing	£20,000
Total Capital Cost	£545,000

This estimate is loosely based on figures available online but costs could significantly vary depending on new build versus renovation build, inflation and taxation, and on the initial purchase of land or building. Any profits, after running and staff costs, would be invested back in to the hotel or in local projects, allowing for expansion and development of the amenities offered.

## Project 3 - Self Catered Lodges - Holiday Accommodation

### Introduction and Background

This project is for the development of a Lodge Holiday site in Kyle of Sutherland, to go some way toward solving the lack of flexible and mixed-value tourist accommodation in the area.

### Objectives

Objective 1 - To drive activity-led and value-conscious tourism into the Kyle of Sutherland

Objective 2 – Provide low-cost, comfortable and more independent accommodation for visitors to the area.

### Product & Services

The site would provide families, mountain bikers and hikers with warm, clean and comfortable self-catered accommodation in the Kyle of Sutherland. Shower, toilet and good drying facilities would be on site, as well as a laundry service and a self-catering kitchen area that would be located within easy walking distance from village amenities.

### Market Analysis

There is a shortage of quality budget accommodation in the area as a whole, with only a few Bed and Breakfast establishments, no youth hostel and limited self-catered accommodation for tourists to choose from. With the promotion of the area and branding of the Kyle of Sutherland and of the natural resources including mountain bike tracks at Carbisdale and Balblair, there are more tourists wishing to visit the Kyle of Sutherland, but the lack of accommodation is prohibitive. Lodges are comfortable, convenient and allow people to feel like they are close to nature, helping to also tap in to more environmentally focused tourism. As well as utilizing the draw of the Kyle of Sutherland itself, these are a popular holiday type for many families. The lodges can be purchased ready to be sited.

### Top 5 reasons for holidays (Tourism alliance 2013)

1. *Relaxing*
2. *Site seeing on foot*
3. *Short walk (up to 2 miles)*
4. *Site seeing by car*
5. *Long walks/rambles (over 2 miles)*

### Touring

Often out of peak season, touring also covers the main summer months. This form of tourism appeals to both UK and international customers. They are looking for a base that offers a variety of different destinations to be reached within a few hours easy drive. The market tends to comprise older people, couples, and family groups (such as couple with elderly parent). Culture and heritage also play an important part with both the number and type of visitor attractions that can be conveniently reached. Kyle of Sutherland is ideally suited as a location hub and a gateway to many destination points in the Highlands.

Estimated road journey times (via Google Maps) to other places from Bonar Bridge are as follows:

□ <i>John O’Groats</i>	<i>(2 hr 10 min)</i>
□ <i>Durness</i>	<i>(2 hr 0 min)</i>
□ <i>Ullapool</i>	<i>(1 hr 15 min)</i>
□ <i>Inverness</i>	<i>(1 hr 0 min)</i>
□ <i>Fort Augustus</i>	<i>(1 hr 45 min)</i>
□ <i>Kyle of Lochalsh</i>	<i>(2 hr 45 min)</i>

### Family Self Catering

Families are forced to holiday during peak season because of school terms so tend to look for the best possible value for money. With the financial pressures brought about by raising a family, the family market is also one of the most cost-conscious. Reflecting the need to be cautious with their finances and the volume of things they need to take with them for the children, family holidays also tend to be car-dependent, although they tend to stay for longer than average at a destination. Day trips and excursions will be independent and probably child-focussed or child-friendly. This reflects the concerns of parents about their children’s behaviour and the fact that the independence of self-catering offers families opportunities to change plans and carefully choose appropriate activities.

To gain the most from this market, the lodges need to be promoted along with the child friendly activities within easy driving distance, with a mix of inside and outdoor facilities.

### Social, Environment & Economic Impacts

**Social impact** – The development of self-catered accommodation would help to breathe new life in to the area, which has been in decline since the opening of the Dornoch Bridge and re-routing of the A9, giving the local community a focused way to draw visitors to the Kyle of Sutherland.

**Environmental impact** – Wooden lodges would blend easily into a rural setting and do not intrude on the landscape in the same way as a caravan park. They tend to be attractive in design and many are manufactured in Scotland from sustainable forests. Any additional buildings would need to be designed with similar values in mind. Families tend to be more aware of Green Tourism issues, as part of their children’s education. Holiday lodges that are designed and run with minimised environmental impact can be marketed as having added value to the green-conscious visitor.

**Economic impact** - Construction could provide work for local contractors should the lodges be built on-site, with sustainable jobs created for the running of the site in to the future. The park would draw new tourists, encourage longer stays and critically promote return visits to the area. Businesses within the Kyle of Sutherland, from local shops, restaurants and pubs, to outdoor activities would gain from the increase in visitor numbers and new enterprises could be able to develop.

## Finance

Estimated Start-Up Costs for site with 6 Lodges (2 bed) 5.5m x 9.5m

6 Lodges	£84,000
Land Cost	£200,000
Fixture & Fittings	£36,000
Service building	£30,000
Drainage	£5,000
Landscaping	£1,000
Haulage	£2,100
Fees	£250
Electrical installation Total	£5,000
Capital	
Cost	£363,350

Profit – Any profits, after running and staff costs, would be invested back in to the park or local projects, allowing for expansion and development of the amenities offered.



## Project Plan 4 - Start-up/ expansion units for local businesses

### Introduction

The development of small starter and expansion units for business is well recognised as pivotal to creating economic regeneration. The main requisites to ensure success are low start-up costs, flexible duration rentals or leases, and access to business expertise or advice. It is also worth being aware of the potential need for 'grow on' space when businesses are 'ready to fly the nest'. This lack, and requirement, was noted in the business consultation.

With the Trust now renting and managing the office in Bonar Bridge, they are well placed to look at expanding into incubator units for start-ups. This would be in partnership with Business Gateway and HIE who can complement the Trust's services and local knowledge.

### Objectives

Objective 1 - To increase and support business start-ups in the Kyle of Sutherland  
Objective 2 – Provide low-cost, well provisioned units for small and growing businesses

### Product & Services

The initial accommodation would be desks within an incubator unit, with appropriate IT and communications infrastructure included. The development of a number of purpose-built units in any of the three villages would be longer term. This could also include catering facilities to allow development of a public restaurant.

### Market Analysis

The majority of small businesses within the Kyle of Sutherland are home-based providing single or micro employment. There have been a steady number of home-based and freelance workers, who now need better technology links to continue to function. They often require interacting and networking with other business to ensure they don't feel isolated. The development of work units encourages these businesses to network, grow and collaborate. Technology, transport costs and quality of life factors are fundamental to the people living in the Kyle of Sutherland. Access to fast, reliable internet services is also a cornerstone to successful business.

Many of those who have started a business are looking for a more freedom-based approach, greater flexibility in leases and terms; use of space and opportunities to expand. The choice of premises and the services required often ensures they must still commute out with the area to establish business, by providing greater choice the potential for greater benefits to the community can be met.

### Finance

Estimated Build & Fit-out Costs for 900m<sup>2</sup>, single story new building on a Brownfield site to provide 5 shell units can vary depending on the initial land value. An estimated build and fit out cost calculation can be made on the basis of £600/m<sup>2</sup>.

Profit – Any profits, after running and staff costs, would be invested back in to the units or local projects, allowing for expansion and development of the amenities offered.