

City Chambers
DUNDEE
DD1 3BY

10th July, 2020

TO: ALL MEMBERS OF THE TAY
CITIES REGION JOINT COMMITTEE

Dear Sir/Madam

TAY CITIES REGION JOINT COMMITTEE

Will you please attend a MEETING of the **TAY CITIES REGION JOINT COMMITTEE** on Friday, 17th July, 2020 at 10.00 am, to be held remotely.

Please submit any apologies to Veronica Thomson, Committee Services Officer or telephone (01382) 434205 or by e-mail veronica.thomson@dundee.gov.uk.

Members of the Press or Public wishing to join the meeting should contact Veronica Thomson, Committee Services Officer on telephone (01382) 434205 or by e-mail veronica.thomson@dundee.gov.uk by **5 pm on Wednesday, 15th July, 2020**.

Yours faithfully

ROGER MENNIE

Clerk to the Joint Committee

1 WELCOME AND APOLOGIES

2 DECLARATION OF INTEREST

Elected members are reminded that, in terms of The Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which would reasonably be regarded as so significant that they are likely to prejudice your discussion or decision-making.

3 MINUTE OF MEETING OF 19TH JUNE, 2020 - Page 1

(Copy enclosed).

4 TAY CITIES DEAL UPDATE - Page 5

(Presentation by the Programme Management Officer enclosed).

5 TCD021(a) CULTURE & TOURISM INVESTMENT PROGRAMME - HOSPITALFIELD - FULL BUSINESS CASE - Page 9

(Report No TCRJC8-2020 by the Director of Strategic Policy, Transformation & Public Sector Reform – Angus Council enclosed).

6 RES ACTION PLAN PRESENTATION

(Presentation by Head of Planning & Development – Perth and Kinross Council).

7 DATE OF NEXT MEETING

Friday, 21st August, 2020 at 10 am, to be held remotely.

ITEM No ...3.....

At a MEETING of the **TAY CITIES REGION JOINT COMMITTEE** held remotely on Friday, 16th June, 2020.

Present:-

Angus Council

Councillor Bill DUFF

Councillor David FAIRWEATHER

Councillor Angus MACMILLAN DOUGLAS

Dundee City Council

Councillor John ALEXANDER

Councillor Lynne SHORT

Councillor Richard McCREADY

Fife Council

Councillor David ROSS

Councillor Karen MARJORAM

Councillor Tim BRETT

Perth & Kinross Council

Councillor Murray LYLE

Councillor John DUFF

Councillor Grant LAING

Non-Elected Members

Ellis WATSON, DC Thomson

Gordon McGUINNESS, Skills Development Scotland

Michael WRIGHT, Scottish Enterprise

Councillor Andrew PARROTT, TACTRAN

Alison HENDERSON, Dundee and Angus Chamber of Commerce

Nigel SEATON, University of Abertay

Also Present

Greg COLGAN, Tay Cities Deal

David MARTIN, Dundee City Council

Steve BELL, Dundee City Council

Robin PRESSWOOD, Dundee City Council

Keith WINTER, Fife Council

Vivian SMITH, Angus Council

David LITTLEJOHN, Perth & Kinross Council

Roger MENNIE, Tay Cities Deal

Mark SPEED, TACTRAN

Mo SAUNDERS, Tay Cities Deal

Councillor David ROSS, in the Chair.

I APOLOGIES

Apologies had been intimated from Margo Williamson, Steve Grimmond, Hayley Mearns and Carol Warburton.

II DECLARATION OF INTEREST

No declarations of interest were made.

III MINUTE OF MEETING OF 21ST FEBRUARY, 2020

The minute of meeting of 21st February, 2020 was submitted and approved.

IV MATTERS ARISING

On a reference to Article XI of the minute of meeting of 21st February, 2020, it was reported that a briefing note had been issued to members in respect of this item.

V TAY CITIES DEAL UPDATE

The Tay Cities Programme Manager gave a presentation to members highlighting developments in the Deal process. The signing date was still to be agreed, however both the UK and Scottish Government had given assurances that they remained committed to reaching a Deal, particularly as this would enable economic recovery in light of the COVID 19 pandemic.

The following matters remained outstanding with government before the Partnership could finalise the signing of the Deal:

- (i) confirmation from the UK Government on their Deal period offer; and
- (ii) confirmation from the UK Government on assistance with peak cashflow in the first five years.

The Joint Committee noted that both governments had confirmed that there was no additional Deal money to boost that already committed and that the Partnership was being encouraged to actively identify other programmes/funding sources that may be used to support any additional requirements.

In conclusion, the Joint Committee noted that assessment work on the impact of Covid 19 was being undertaken by the Partnership and this would be kept under constant review.

VI PROGRAMME MANAGEMENT OFFICE REVENUE (PMO) OPERATIONAL BUDGET 2020/2021

There was submitted Report No TCRJC4-2020 by the Section 95 Officer, seeking approval for the Programme Management Office (PMO) agreed operational budget for 2020/2021.

The Joint Committee agreed to approve the 2020/2021 Revenue Budget for the Tay Cities Region Project Management Office (PMO) as detailed in Appendix A to the report.

VII PROGRESS REPORT – MICHELIN SCOTLAND INNOVATION PARC

There was submitted Report No TCRJC2-2020 by the Executive Director of City Development, Dundee City Council, providing an update on progress made towards the development of the Michelin Scotland Innovation Parc and the £7.5M funding made available from the Industrial Investment Fund.

The Joint Committee agreed to note the progress made towards the development of the Michelin Scotland Innovation Parc and the role of the funding secured by Dundee City Council from the Industrial Investment Fund to support this.

VIII TCD021 CULTURE & TOURISM PROGRAMME - OUTLINE BUSINESS CASE

There was submitted Report No TCRJC3-2020 by the Chair of the Culture and Tourism Thematic Board seeking approval of the Outline Business Case (OBC) for TCD021 Culture & Tourism Programme.

The Joint Committee agreed to:-

- (i) approve the Outline Business Case;
- (ii) agree the projects recommended within the Outline Business Case; and
- (iii) note that the Management Group had approved the Outline Business Case for TCD021 Culture & Tourism Programme.

IX ADDITIONAL MEETINGS

In order to facilitate the approval of Business Cases, it had been noted that a number of additional Joint Committee meetings may require to be held. Dates identified for these meetings were:-

- Friday, 17th July, 2020
- Friday, 21st August, 2020
- Friday, 23rd October, 2020
- Friday, 13th November, 2020

The Joint Committee approved the additional meetings as detailed.

X DATE OF NEXT MEETING

Friday, 17th July, 2020, to be held remotely.

The Committee resolved under Section 50(A)(4) of the Local Government (Scotland) Act 1973 that the press and public be excluded from the meeting for the undernoted item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraphs 6 and 9 of Part I of Schedule 7A of the Act.

XI INDUSTRIAL INVESTMENT PROGRAMME – SIDE DEAL

There was submitted Report No TCRJC5-2020 by Service Leader, Angus Council, for Heads of Economic Development presenting the proposed projects to be funded from the £2.5m Side Deal Industrial Investment Programme and seeking approval of the recommended 50:50 split between the two projects presented.

The Joint Committee approved the recommendations contained within the report.

David ROSS, Convener.

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Joint Committee Presentation

July 2020



Deal Headlines

- No new signing date agreed;
- Partnership and both Governments still committed to reaching a Deal;
- The following matters remain outstanding with government before the Partnership can enter into signing:
 - confirmation from the UK Govt on their Deal period offer;
 - confirmation from the UK Govt on assistance with peak cashflow in the first five years.
- Chancellor making summer economic update to parliament 8th July.



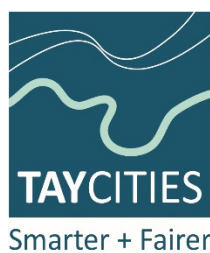
Government Approval of Outline Business Cases

Two Business Cases have received government approval to progress to Full Business Case (FBC):

- TCD014 Eden Campus
- TCD016 Growing Tay Cities Biomedical Cluster



ITEM No ...5.....



REPORT TO: TAY CITIES REGION JOINT COMMITTEE – 17 JULY 2020

REPORT ON: TCD021(a) CULTURE & TOURISM INVESTMENT PROGRAMME - HOSPITALFIELD - FULL BUSINESS CASE

REPORT BY: VIVIEN SMITH, DIRECTOR OF STRATEGIC POLICY, TRANSFORMATION & PUBLIC SECTOR REFORM – ANGUS COUNCIL

REPORT NO: TCRJC8-2020

1.0 PURPOSE OF REPORT

1.1 This report seeks approval of the Full Business Case for project TCD021(a) Hospitalfield.

2.0 RECOMMENDATIONS

- 2.1 The Joint Committee is asked to:
- Consider this report and the executive summary of the Full Business Case for TCD021(a) Hospitalfield attached at Appendix 2. (A copy of the Full Business Case is available the Committee on request).
 - Note that the Management Group has approved the Outline Business Case and Full Business Case for TCD021(a) Hospitalfield and is recommending it for approval to the Joint Committee.
 - Approve the Full Business Case, approving the allocation, in principle, of £5.5million to the project, subject to the signing of the Tay Cities Deal and the securing of the outstanding match funding, subject to the conditions at paragraph eight being met.
 - Agree the release of £3million over financial years 2020/21 and 2021/22 where 50% match funding is already in place. £2million is profiled in financial year 2021/22 and £1million is profiled in 2021/22 subject to the conditions at paragraph eight being met.
 - Note the expectation that a further £2.5million is profiled for financial year 2023/24 subject to 50% match funding being secured.

3.0 INTRODUCTION

- 3.1 The Culture and Tourism Investment Programme was awarded £27million in the Heads of Terms Agreement dated 22 November 2018. Over the last year the Management Group has developed the Programme Outline Business Case with Scottish Government, which was approved by the Joint Committee in June 2020. (Report No TCRJC3-2020.)
- 3.2 A Culture and Tourism Thematic Advisory Board has been established, which reports to the Management Group. A further sub advisory group has been established, a Project Assessment Panel, which has responsibility for implementing the project selection process.
- 3.2 Following the Project Assessment Panel's consideration of all the projects within the programme, a recommendation was made to the Culture and Tourism Thematic Advisory Board and subsequently the Management Group for Hospitalfield to progress to Outline Business Case and then Full Business Case.

- 3.3 The Full Business Case for Hospitalfield is presented for approval which, if granted, will enable the project to draw down the allocated funding. Funding is drawn down when the project submits a claim for money which has already been spent. The key project information is at Appendix 1.

4.0 DESCRIPTION OF PROJECT

- 4.1 Hospitalfield Trust is seeking investment of £5.5million from the Culture and Tourism Investment Programme to support a visionary redevelopment plan for Hospitalfield House. The aim of the project is to see the very special heritage, which is currently at considerable risk, fully restored and accessible to the public. The Trust plans to restore and add to the residential, studio and visitor facilities at Hospitalfield to create a world-class cultural and tourism facility that is financially sustainable, and able to make a significant and long-term impact to the local, regional and National economies.
- 4.2 Hospitalfield House is an artist's house, located on one of Scotland's most significant historic sites on the east coast of Scotland. Between 1843 and 1890, the artist Patrick Allan-Fraser created the House, which is now widely regarded as one of Scotland's most valued Arts and Crafts houses. The outstanding collections within Hospitalfield include 19th century paintings, drawings and sculpture and works on paper. On his death in 1890, Allan-Fraser bequeathed his estate in Trust to support artists and Hospitalfield became one of Scotland's first art colleges, making a significant contribution to the story of 20th century Scottish art. This project will enable this story to continue into the 21st century.
- 4.3 The aim is to create 'a campus' around the original Arts and Crafts building that will enhance the arts and cultural programmes and in so doing establish a world class and fascinating destination for visitors whilst also creating an impressive facility for artists and others to develop their work, with excellent studio, exhibition and residential facilities.
- 4.4 The five year capital investment programme be delivered in three phases:

Phase 1 – Accommodation, Artist Studios and the Garden, Fernery and Café

This phase will see the restoration of existing and the creation of new visitor accommodation. The new accommodation will be run through the organisation's trading arm and be made very widely available beyond the artistic programme. Also included within this phase is the restoration of the historic 19th and 20th century artist studios and the development of a new, digital 21st century digital studio and, finally, the restoration of the 19th century glazed fernery and walled gardens along with the creation of a glass house café in the south facing corner of the walled gardens.

Phase 2 – Mortuary Chapel

This phase will see the restoration of a remarkable building and enable it to be open and accessible to the public.

Phase 3 – The House, the Visitor Experience and the Collections

This phase will involve the restoration of the House and the heritage collections alongside the development of a new reception building, study centre, shop and gallery exhibition space.

5.0 FINANCIAL IMPLICATIONS

- 5.1 This project is currently profiled to spend up to a total of £5.5million capital from the Tay Cities Deal funding.
- 5.2 As outlined within the Culture and Tourism Investment Programme Outline Business Case, each project is required to secure 50% match funding in order to be considered for funding.
- 5.3 Hospitalfield has confirmed match funding for years 1 and 2 of the project, however funding for future years still requires to be confirmed. Therefore, the Joint Committee is being asked to consider and approve agreement in principle for the whole project to assist Hospitalfield to secure additional match funding.

- 5.4 The Joint Committee is also being asked to approve the release of £3million, where 50% match is in place. Further reports will be brought to Joint Committee to confirm additional match funding that is secured by the project.
- 5.5 The funding for Hospitalfield is anticipated to be drawn down as follows – 2020/21 - £2million and 2021/22 - £1million. It is intended that the project will draw down the remainder of the resources in year 4 as there is no funding available in year 3 in the overarching Culture and Tourism Investment Programme financial profile. This is subject to 50% match funding being in place and drawdown of funding will be subject to the signing of the Tay Cities Deal.
- 5.6 The project has already levered in £3million of match funding and over the full project this is expected to rise to £5.93million from external bodies, subject to funding from Tay Cities Deal.

6.0 IMPLEMENTATION PLAN

6.1 Milestones

Deliverable	Due Date	Status
Phase 1 – Accommodation, Artist Studios and the Garden, Fernery and Café	2021/22	Work has commenced on this phase but is currently on hold due to restrictions of COVID-19. Work is due to recommence under Phase 2 of the Scottish Government route map.
Phase 2 – Mortuary Chapel	2021/22	To be progressed.
Phase 3 – The House, the Visitor Experience and the Collections	2022/23	To be progressed.

6.2 Outcomes and Targets

Targets	Baseline	Target Uplift	Date
No of jobs	10 (4 FT / 6 PT)	13 (10 FT / 3 PT)	2023/24
Leveraged capital funding	N/A	£5.93m	2023/24

6.3 Key Project Risks and Mitigations

Risk	Mitigation
Any aspect of the capital programmes exceed the available funding	The design team includes an experienced quantity surveyor. All costs plans are carefully estimated with adequate general contingencies and contingencies for inflation.
Capital and revenue funding from public bodies is no longer available	The Trust believes that the modelling for income is at a balanced level between private and public bodies yet is flexible should there be any risk to funding sources. The Trust is committed to meeting the aims and objectives of the project within the budget constraints.
	The budget calculations for the residential accommodation has been set at 50 - 60% occupancy, lower than the average current occupancy for the region. Other estimates of income have also been conservative in the first few years of the business growth.

Risk	Mitigation
Project risks following COVID-19 Pandemic	This has an unknown impact on the project at this time. Construction works on Phase 1 have been suspended but there is no reason to believe that this phase of the project should increase in price as the contract price is fixed and agreed. It is difficult to make assessment of the market for future phases, but there is no reason to believe that it is inevitable that costs will increase. The Hospitalfield Board will continue to work within the constraints of funding available and will develop the projects accordingly within the available budget.

7.0 DECISION PATHWAY

- 7.1 TCD021(a) Hospitalfield project has been approved by the Culture and Tourism Thematic Advisory Board and Management Group and is now recommended to the Joint Committee for approval as per report no TCRJC3-2020 Culture and Tourism Investment Programme – Outline Business Case.

8.0 CONDITIONS

- 8.1 Drawdown is subject to the Full Deal being agreed to and signed by the Tay Cities Deal partnership which include the profiled spend
- 8.2 Any future funding from the Tay Cities Deal is subject to the project securing 50% match funding.
- 8.3 Drawdown is subject to confirmation that State Aid rules are met.

9.0 POLICY IMPLICATIONS

- 9.1 This report will be subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty and Environment. These assessments will be submitted to the PMO in due course and the Committee will be provided with an update in due course.

10.0 CONSULTATIONS

- 10.1 The Tay Cities Management Group were consulted in the preparation of this report.

11.0 BACKGROUND PAPERS

- 11.1 This report relates to TCRJC3-2020 Culture and Tourism Investment Programme – Outline Business Case (Item 7 – Tay Cities Region Joint Committee – 19 June 2020).

VIVIEN SMITH, DIRECTOR OF STRATEGIC POLICY,
TRANSFORMATION & PUBLIC SECTOR REFORM – ANGUS
COUNCIL

DATE: 3rd July 2020

APPENDIX 1

Project Information	
Project number	TCD021 Culture and Tourism Investment Programme
Project name	Hospitalfield
Project owner	Lucy Byatt
Responsible Finance Officer	Martin Beard
Management Group Sponsor	Vivien Smith
Award amount requested	£5.5million Capital
Jobs - target number of jobs to be created	13 FTE
Leverage to be achieved	£5.93million

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HOSPITALFIELD

FULL BUSINESS CASE (FBC)



1 CONTENTS

1	CONTENTS.....	2
2	CONTACTS.....	3
3	EXECUTIVE SUMMARY	4
3.1	Introduction	4
3.2	Strategic Case.....	4
3.3	Economic Case	5
3.4	Commercial Case.....	6
3.5	Financial Case.....	6
3.6	Management case.....	7
4	IMPACT OF COVID-19	9
5	AUTHORISED SIGNATORIES	11
6	APPENDICES	12

2 CONTACTS

Lead Organisation: The Hospitalfield Trust

Address: Hospitalfield House, Arbroath, Angus, DD11 2NH

Project Lead	
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Authorised Signatory (City Deal Agreement)	
Name:	Sir Mark Jones
Email:	markellispowelljones@gmail.com
Telephone:	01241 656 124
Finance Contact	
Name:	Martin Beard
Email:	martin@parkhillhouse.com
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Other Contacts (if appropriate)	
Name:	Keira Malkowska (Angus Council)
Role:	Senior Practitioner (Tay Cities Deal - Finance)
Email:	malkowskak@angus.gov.uk
Telephone:	01307 492 216

3 EXECUTIVE SUMMARY

3.1 Introduction

Hospitalfield Trust is seeking investment of £5.5m to support a visionary redevelopment plan for Hospitalfield House. The aim of the project is to see the very special heritage, which is currently at considerable risk, fully restored and accessible to the public. The Trust plans to restore and add to the residential, studio and visitor facilities at Hospitalfield to create a world-class cultural facility that is financially sustainable, and able to make a significant and long-term impact on the local, regional and national economies.

Hospitalfield House is an artist's house, located on one of Scotland's most significant historic sites on the east coast of Scotland. Between 1843 and 1890, the artist Patrick Allan-Fraser created the House, which is now widely regarded as one of Scotland's most valued Arts and Crafts houses. The name of the site comes from a much earlier use of the site as a hostel or hospital greeting pilgrims in the 13th century who were making their journey to Arbroath Abbey. The outstanding collections within Hospitalfield include 19th century paintings, drawings and sculpture and works on paper. On his death in 1890, Allan-Fraser bequeathed his estate in Trust to support artists and Hospitalfield became one of Scotland's first art colleges, making a significant contribution to the story of 20th century Scottish art. This project will enable this story to continue into the 21st century.

3.2 Strategic Case

In 2012 there was a restructure of the staff and governance at Hospitalfield, and the new team took the opportunity to develop a clear strategy to guide Hospitalfield's activity. This has been written by the Director and agreed by the Board and is entitled Hospitalfield's 'Future Plan' (the Plan).

The Plan sets out a strategic vision and business plan for the organisation as a valuable cultural and heritage visitor destination for the general public and a resource for the national and international artist and cultural community. The latter role emerges from the organisation's history as one of Scotland's first art schools (opened in 1902). Hospitalfield is an 'artist's house' and has been for nearly two hundred years. The vision that supports the business plan envisions Hospitalfield playing a significant role in the future economic and cultural development of the Tay Cities Region through a phased programme of capital investment, alongside a plan for securing financial sustainability and ongoing development.

In 2013 the Trust appointed the renowned architects Caruso St John and a masterplan was developed as a response to the Future Plan vision. This plan is now the guide for all future development. The aim is to create 'a campus' around the original Arts & Crafts building that will enhance the arts and cultural programmes and in so doing, establish a world class and fascinating destination for visitors whilst also creating an impressive facility for artists and others to develop their work, with excellent studio, exhibition and residential facilities.

The five year capital investment programme be delivered in three phases:

- **Phase 1 – Accommodation, Artist Studios and the Garden, Fernery and Café**
This phase will see the restoration of existing and the creation of new visitor accommodation. The new accommodation will be run through the organisation's trading arm and be made very widely available beyond the artistic programme (see page 18 - A destination with international reach and interest). Also included within this phase is the restoration of the historic 19th and 20th century artist studios and the development of a new, digital 21st century digital studio and, finally, the restoration of the 19th century glazed fernery and walled gardens along with the creation of a glass house café in the south facing corner of the walled gardens.
- **Phase 2 – Mortuary Chapel**

This phase will see the restoration of a remarkable building and enable it to be open and accessible to the public.

- Phase 3 – The House, the Visitor Experience and the Collections
This phase will involve the restoration of the house and the heritage collections alongside the development of a new reception building, study centre, shop and gallery exhibition space.

The Strategic Case provides further details on this project's alignment with local, regional and national strategies and outlines the case for change.

3.3 Economic Case

The short listed options taken forward are:

1. Do nothing
2. Heritage investment only
3. Full scale project excluding reception building
4. Full scale project

The table below shows the key results of the economic appraisal for each option:

	Undiscounted (£m)	Net Present Cost (Value) (£m)
Option 1 – Do Nothing/Do Minimum/Status Quo		
Capital	£0.0	£0.0
Revenue/current	£8.9	£7.0
Total costs	£8.9	£7.0
Less cash releasing benefits	£9.0	£7.1
Costs net cash savings	-£0.2	-£0.1
Non-cash releasing benefits	£4.3	£3.3
Total	-£4.4	-£3.4
	Undiscounted (£m)	Net Present Cost (Value) (£m)
Option 2 – Heritage Only		
Capital	£8.5	£7.9
Revenue/current	£9.6	£7.4
Total costs	£18.1	£15.3
Less cash releasing benefits	£13.9	£11.4
Costs net cash savings	£4.3	£4.0
Non-cash releasing benefits	£10.2	£8.4
Total	-£6.0	-£4.5
	Undiscounted (£m)	Net Present Cost (Value) (£m)
Option 3 - All Project Components Except for Reception/Exhibition/Study Centre		
Capital	£10.2	£9.5
Revenue/current	£12.3	£9.4
Total costs	£22.5	£18.9
Less cash releasing benefits	£18.2	£14.8

Costs net cash savings	£4.3	£4.1
Non-cash releasing benefits	£14.3	£11.6
Total	-£10.0	-£7.5
	Undiscounted (£m)	Net Present Cost (Value) (£m)
Option 4 - All Project Components: Preferred Option		
Capital	£11.4	£10.6
Revenue/current	£15.4	£11.7
Total costs	£26.9	£22.3
Less cash releasing benefits	£21.5	£17.3
Costs net cash savings	£5.3	£5.0
Non-cash releasing benefits	£18.9	£15.1
Total	-£13.5	-£10.0

Option 1, the do-nothing option, results in a total net present cost of -£3.4m (or a £3.4m benefit) over a 15-year time horizon.

Option 2, which carries out capital works on only the at-risk heritage buildings, results in a total net present cost of -£4.5m (or a £4.5m benefit) over a 15-year time horizon.

Option 3, which consists of all project components except for the new reception, study and exhibition centre, results in a total net present cost of -£7.5m (or a £7.5m benefit) over a 15-year time horizon.

Option 4, the full-scale project, generates a total net present cost of -£10.0m (or a £10.0m benefit) over a 15-year time horizon.

Option 4, the full scale project, is the preferred option. This option ranks first in all appraisals – economic, qualitative and risk appraisal. Further the preferred option incurs the lowest overall net present cost under all sensitivity analyses.

3.4 Commercial Case

The procurement strategy for this project will ensure that value for money is achieved for the Tay Cities Deal. The Board of Directors will have overall responsibility for the project.

Hospitalfield have identified the following values for selection:

- We are committed to ensuring that we achieve a project that is an excellent design that fits with the existing heritage in a sensitive way that adds value and creates the heritage of the future.
- We are committed to ensuring that the design adheres to all sustainable standards to ensure low cost of the building and low impact on the environment.

The design team will be led by Caruso St John Architects and they will continue throughout as lead designer. Each phase of the construction work will be tendered through Public Contracts Scotland. Hospitalfield has appointed a project manager to manage the relationship between client, design team and contractor.

All major risks, the approach to risk management and further details on contracting and procurement arrangements are explained in the Commercial Case.

3.5 Financial Case

The impact of the plan on Hospitalfield's capital and revenue position has been carefully considered and built into the plan.

Please see below the table showing the capital expenditure and the funding sources:

Summary of Capital funded project profile						
	Total	2019/20	2020/21	2021/22	2022/23	2023/24
Expenditure Profile						
Phase 1	2,991,000	273,000	1,895,000	753,000	25,000	45,000
Phase 2	1,128,300	-	778,300	350,000	-	-
Phase 3	7,314,700	-	183,000	1,276,700	1,862,000	3,993,000
Total	11,434,000	273,000	2,856,300	2,379,700	1,887,000	4,038,000
Source of Funding Profile						
Tay Cities Deal	5,500,000	-	2,000,000	1,000,000	-	2,500,000
Creative Scotland	1,000,000	100,000	60,000	840,000	-	-
National Lottery Heritage Fund (Development Fund)	25,000	25,000	-	-	-	-
National Lottery Heritage Fund	626,300	-	561,300	65,000	-	-
HES	500,000	-	190,000	310,000	-	-
Garfield Weston Foundation	200,000	-	-	111,700	-	88,300
Aberbrothock Ske Trust	25,000	-	-	-	25,000	-
Foyle Foundation	70,000	-	-	-	-	70,000
Northwood Trust	55,000	25,000	-	-	-	30,000
Finnis Scott Trust	8,000	8,000	-	-	-	-
Wolfson Trust	25,000	-	-	-	-	25,000
Leng Trust	15,000	-	-	-	-	15,000
Mushroom Trust	10,000	-	-	-	7,000	3,000
William Grant Foundation	85,000	25,000	-	-	-	60,000
Barcaple Trust	25,000	-	-	-	-	25,000
AHF	10,000	10,000	-	-	-	-
Pilgrim Trust	25,000	-	-	-	-	25,000
Robertson Trust	27,000	27,000	-	-	-	-
Hospitalfield own funds	47,000	13,000	-	-	-	34,000
Hospitalfield staffing cost contribution	80,000	40,000	-	-	40,000	-
In kind support	168,000	-	45,000	53,000	25,000	45,000
Funding to be secured	2,907,700	-	-	-	1,790,000	1,117,700
Total	11,434,000	273,000	2,856,300	2,379,700	1,887,000	4,038,000

Note that total funding of £3m has been secured to date. This funding combined with the Tay Cities Deal money will allow the organisation to make the required investment to become financially viable. This opens the opportunity to secure the remaining £2.9m funding required, and the Board of Governors believe that they will be able to secure further funding from the National Heritage Lottery Fund, HES and other targeted trusts and foundations.

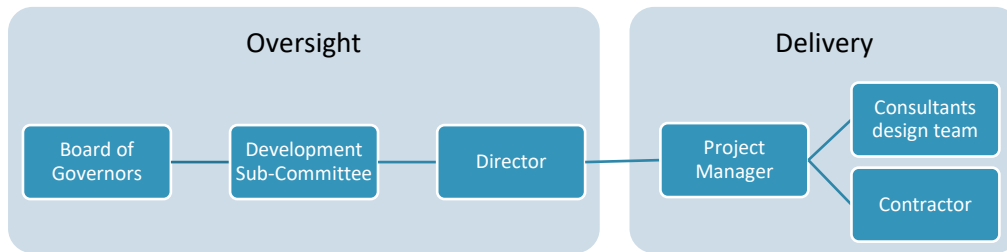
Hospitalfield has a strong track record for successful fundraising both at staff and board levels. The Director has raised the full funding to date and the board has become much stronger over the last 18 months with Sir Mark Jones as Chair and Russell Willis Taylor, a highly regarded cultural professional from the US who has retired in the region and who has taken on the chair of the Fundraising committee for the Trust.

The Financial Case supplies further detail on the funding and cost structure of the project.

3.6 Management case

The Board of Governors of Hospitalfield are legally and financially responsible for Hospitalfield, and therefore for the ultimate delivery of this project. In the last 2 years the board has focussed on bringing in the key skills and knowledge that is needed to support the staff team at this time of development and the board brings an impressive range of relevant and reliable skills experience and knowledge.

The board have engaged the services of a project manager to deliver the project, and the project management arrangements can be illustrated as follows:



The Management Case describes further details on the way this project will be controlled, reported, monitored and evaluated.

4 IMPACT OF COVID-19

COVID-19 is a new condition that we are all living with and are likely to have to consider for some time to come; the experience from this will have lasting consequences on how people are hosted and catered for.

As we open the existing facilities in late 2020 and in to 2021 all health and safety issues will be considered and put in place. As I write this, we are working to find immediate solutions to our working lives.

Progress of the Future Plan development is likely to be impacted by the epidemic in two ways:

1. The market for delivering development projects is uncertain at this time and it is therefore difficult to anticipate what the nature and level of risk might be.
2. The model of hospitality will have to adjust in terms of the flexibility of the provision in line with evolving regulations.

Construction works on Phase 1 (which commenced in April 2020) have been suspended, but there is no reason to believe that this phase of the project should increase in price at this stage as this part of the contract is fixed and agreed. We expect construction to return to work in June 2020.

It is difficult to make assessment of the market at this time and if construction costs will go up or down, when the time comes for further phases to go to tender this will be costed. There is no reason to automatically assume that it is inevitable that costs will increase by large margins.

The Hospitalfield Board will continue to work within the constraints of funding available and will develop the projects accordingly within the available budget.

Hospitalfield has ring fenced funding in place from Creative Scotland (£1m) and HES (£500k). The Trust is keeping in close contact with lead officers in relation to how this funding can be spent within timescales and eligibility of the grant.

In relation to future fundraising, the Trust understand that due to the Covid-19 epidemic we might expect that there will be budget pressures on public funding bodies.

The Hospitalfield Board have realistic expectations within this context and will continue to monitor policy changes and to keep in close touch with key funding agencies and stakeholders.

The Trust is committed to meeting the aims and objectives of the project within the budget constraints.

The model of hospitality will have to adjust in terms of the flexibility of the provision in line with evolving regulations. The model of hospitality that we have developed including; for residential accommodation, catering and visitor participation will be evolved over the coming 12 to 18 months as flexibly as possible in line with regulations.

As we move forward with the detailing of the new and restored accommodation and other facilities, we are at a stage where we can make the appropriate changes to design to accommodation new lasting regulations. We are pleased to be at point in the project so that these adjustments can be 'designed in'.

Tourism and culture is a key sector of the Tay Cities Region and as one of the hardest hit sectors by COVID-19, will require a significant boost in strategic thinking and economic support. The impact of COVID-19 and Brexit sets a context for the future of the Region and against this context there must be the long term consideration of the creation of opportunities for employment and a strategy that will capitalise on and give vision to a stay at home tourism story which can be seen as the new opportunity ahead.

All these opportunities will be vital in supporting the future economy of the region and playing a vital role in the recovery of the region and its work force as we emerge from the various impacts that COVID- 19 will have.

This cultural project will play a pivotal role in the profile and story of the region and the sense of pride of place that is such a vital steppingstone in the process of incremental economic growth.

5 AUTHORISED SIGNATORIES

Project Lead

Name: Lucy Byatt

Signature:

Date: March 2020

Contract Signatory

Name: Mark Jones

Signature:

Date: March 2020

Finance Director (or other senior Finance Representative)

Name: Martin Beard

Signature:

Date: March 2020

6 APPENDICES

Appendix 1: Letter of support from The Glasgow School of Art

MACKINTOSH SCHOOL OF ARCHITECTURE THE GLASGOW SCHOOL OF ART

11.01.17

CP/ih

Professor Christopher
Platt
CArch DipArch RIBA
FRIAS FHEA
Head of School
t +44(0)141 353 4650
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c.platt@gsa.ac.uk

To whom it may concern,

Hospitalfield Arts is one of the hidden cultural secrets for those of us who live in Scotland and that is despite its international reputation for innovative artistic engagement. Set within an area of outstanding natural beauty, Hospitalfield's character draws on its long history which has included religion, healthcare, literature, visual art practice and education all taking place at different times in a memorable architectural setting. It is a setting which is an utter joy to visit and spend time in.

The remodelling of the house under the auspices of Patrick Allan-Fraser resulted in a stunning Arts & Crafts building whose picture gallery is simply one of Scotland's most important domestic spaces. The combination of this heritage, natural and manmade beauty and an ambitious, contemporary agenda for interdisciplinary artistic practice makes it an important cultural destination as well a place which is both setting for and retreat from artistic practice.

Hospitalfield Arts' future plan to extend, adapt and conserve this unique place has brought together an inspirational creative team. It is led by Caruso St John architects, one of Europe's most significant contemporary architectural practices, whose intelligent and beautifully crafted architecture can be seen in Liverpool, London, Switzerland, Germany and Italy. Both partners are also professors of architecture and their architectural approach draws on a deep and wide cultural reservoir in interrogating the challenges of working with historic and contemporary settings. They lead a team which includes two of the UK's most inventive consulting engineering practices, David Narro and Max Fordham as well as Simpson and Brown, Scotland's premier conservation architects and the gifted landscape designer Nigel Dunnott. They are all supported by the long-established cost consultants Morham & Brothly who have an unprecedented track record in steering the financial management of many significant cultural and historic projects.

It is a sign of the times that it is typically the spectacular, headline-grabbing architectural projects which make the news; projects which have powerful forms which happen to be photogenic. This is in stark contrast to more subtle and nuanced architectural approaches which nevertheless produce

PROF. CHRISTOPHER PLATT
CArch DipArch RIBA FRIAS FHEA
Head of School

PROF. TOM INNS
BEng(Hons) DIC MDes(RCA) PhD FRSA
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2

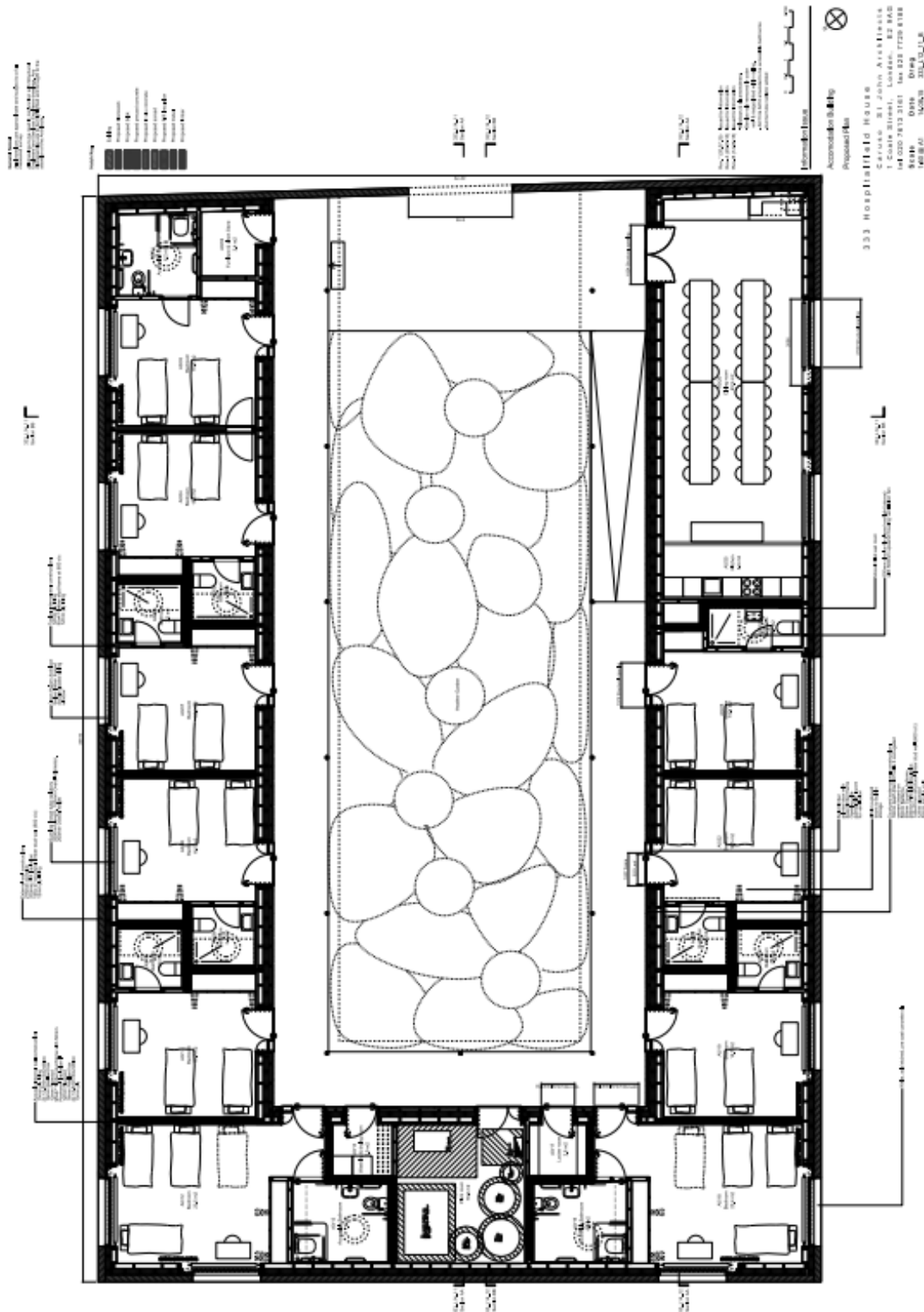
extraordinary quality in everyday settings. A different order of architectural skill and craft is needed to deliver this sensitivity of work; places that repay ever-closer attention when revisited. The work of Caruso St John leads this field internationally and it is exciting that their first project in Scotland should be for Hospitalfield Arts. These proposals promise such a result; namely a place of the highest quality to create, display and celebrate artistic outputs and transform this cultural secret to a vibrant national treasure.

I support this Tay Cities Regional Bid in the warmest and strongest manner and wish it every success. I look forward to following and visiting the emerging complex as it develops. If you wish to discuss any of this with me, please contact me using the details below.



Prof. Christopher Platt
Head of School,
Mackintosh School of Architecture,
Glasgow School of Art.

Appendix 2: Proposed accommodation block



Appendix 3: Glazed café perspectives





Appendix 4: Extract from walled garden strategy

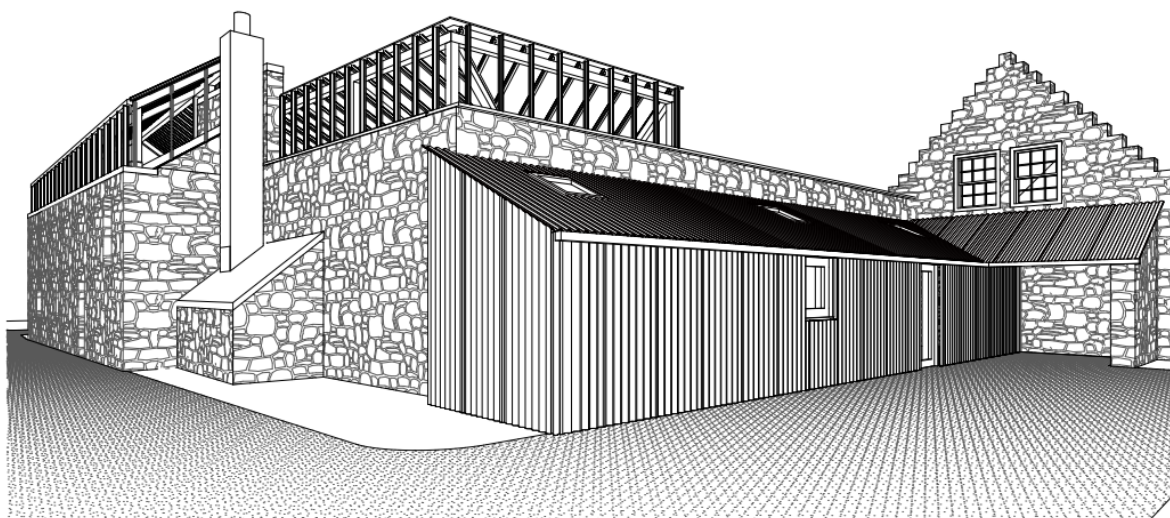


OVERVIEW

- | | |
|---|---|
|  | PUBLIC GARDEN |
| | <ul style="list-style-type: none"> Lawn, events area and cafe spill-out, surrounded by flower borders and ornamental planting |
|  | FORMAL GARDEN |
| | <ul style="list-style-type: none"> Formal Gardens with demonstration raised beds: herbs, medicinal plants, vegetables Orchard with formal fish pond and wildflower meadow |
|  | ROMANTIC GARDEN |
| | <ul style="list-style-type: none"> Informal gardens with exuberant planting |



Appendix 5: Kitchenette and WCs



Appendix 6: Letter of support from Perth & Kinross Council

Delayed Office Opening for Employee Training

This office will be closed from
8.45 am - 11.00 am on the first
Thursday of each month.



Culture and Community Services
Head of Service Fiona Robertson

Council Building, 2 High Street, Perth, PH1 5PH
Tel 01738 475000

Contact: Fiona Robertson
Direct Dial (01738) 476270
Email: fionarobertson@pki.gov.uk
www.pki.gov.uk

Our ref: FRULM

Your ref:

Date: 17 December 2019

Ms Lucy Byatt
Director
Hospitalfield
Hospitalfield House
Arbroath
DD11 2NH

Dear Lucy

Transformation of Hospitalfield

As per our recent discussion, I am writing to set out the significance of the Hospitalfield project in the context of our shared cultural ambitions for the Tay Cities Region.

A central element of the Tay Cities Deal is to create a culture and creative industries corridor along the Tay from Highland Perthshire to Angus. Within the cultural tourism strand of the Deal, investment in a series of cultural attractions and destinations is critical if we are to grow the overall quality of the cultural offer and build UK domestic and international visitor market share across the region as a whole.

Within this, Hospitalfield is a unique component of the cultural offer. It is a unique part of the region's cultural heritage, as an important Arts and Crafts building. Since 1902 when it opened as a residential art school it functioned as a place for contemporary artists to develop their practice; in recent years, this has been revived and reinvented via a series of innovative residencies, bursaries and site-specific commissions. Hospitalfield is the only major site in the Tay Cities Region which provides these opportunities for contemporary artists from Scotland, the UK and internationally, resulting in significant new work which raises the profile of the region as a place where contemporary arts practice is thriving. As Dundee has increasingly developed and promoted itself as a City of Design, Hospitalfield is a counterpoint and a complementary attraction to V&A Dundee. Through its public programmes, which have included presenting major new commissions from across the UK (for example ArtAngel's commissioned show 'Natural Selection' shown at the disused Arbroath Sheriff Court in spring 2019) and by embedding UK and international artists in the Angus locality and the region, local artists and audiences are gaining exposure to new practice and critical debate which otherwise is concentrated in Scotland's Central Belt.

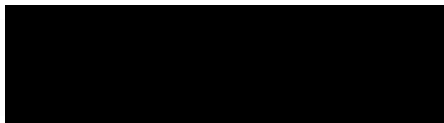
Corporate & Democratic Services
Deputy Chief Executive (Chief Operating Officer) Jim Valentine

I would make two further points in support of Hospitalfield and its growing aspiration. First, as Project Lead for Perth City Hall, which will present a modern and contemporary visual art programme in the transformed building when it opens in 2022, our ability to collaborate with Hospitalfield on curatorial skills, on joint programme and marketing has been and remains a key commitment. Secondly, as someone who has served on Hospitalfield selection committees for emerging talent from across Scotland's art schools, I have seen at first hand the contribution which Hospitalfield, its leadership and ethos, makes to contemporary arts practice in the region and beyond.

I hope this is a useful summary, and please do not hesitate to use this letter in support of funding applications related to the Hospitalfield transformation project.

With best wishes.

Yours sincerely



Fiona Robertson
Head of Culture and Community Services

Hospitalfield House
Risk Criteria

FIRST REVIEW	21/04/2015
LAST REVIEW:	22/03/2020

L E G E N D																																													
LIKELIHOOD OF RISK (L)	IMPACT OF RISK (I)	SCORE (L x I)	RISK OWNERS																																										
5 = Highly Probable ≥ 90% 4 = Very Likely 75 - 89% 3 = As Likely As Not 40 - 74% 2 = Could Happen 25 - 39% 1 = Improbable ≤ 25%	5 = Catastrophic ≥ £100k 4 = Critical £50k - £100k 3 = Serious £25k - £50k 2 = Marginal £10k - £25k 1 = Insignificant ≤ £10k	<table><tr><th>Matrix</th><th colspan="5">Prob</th></tr><tr><th>Impact</th><th>1</th><th>2</th><th>3</th><th>4</th><th>5</th></tr><tr><td>1</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr><tr><td>2</td><td>2</td><td>4</td><td>6</td><td>8</td><td>10</td></tr><tr><td>3</td><td>3</td><td>6</td><td>9</td><td>12</td><td>15</td></tr><tr><td>4</td><td>4</td><td>8</td><td>12</td><td>16</td><td>20</td></tr><tr><td>5</td><td>5</td><td>10</td><td>15</td><td>20</td><td>25</td></tr></table>	Matrix	Prob					Impact	1	2	3	4	5	1	1	2	3	4	5	2	2	4	6	8	10	3	3	6	9	12	15	4	4	8	12	16	20	5	5	10	15	20	25	
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HARTS - Control of Risk																																													
H = Hold	- Retention of particular risks when other options are uneconomical or otherwise undesirable																																												
A = Avoid	- Different materials or processes may be chosen, or different individuals employed																																												
R = Reduce	- Potential risk can be minimised by alerting people to them and providing adequate protection measures to reduce the likelihood of loss																																												
T = Transfer	- Assignment of the control of risk to others via contract conditions, or the financial responsibility of risk through insurance policies																																												
S = Share	- Risks are shared with others, where the risk is beyond the control of the one party																																												
RISK HEADINGS		Description																																											
Site	Site	Site construction related risks																																											
Boudnan	Boudnary	Risks that relate to securing the site or it's periphery																																											
Design	Design Risk and Scope	The risk that design cannot deliver the services at the required performance or quality standards																																											
Env	Environmental	Where the nature of the project has a significant impact on its adjacent area which may give rise to																																											
Funding	Funding Risk	Where project delays or changes in scope occur as a result of the availability of funding and commercial																																											
H & S	Health & Safety	Risk arising from poor Health and Safety management etc																																											
Leg	Legal Risks	Risk arising from legal requirements																																											
O&M	Maintenance Operation and FM	Risk that costs of maintenance and operation vary or standard fall and including continuity of service																																											
Stat	Planning & Regulatory	The risk that the implementation of a project fails to adhere to the terms of planning permission or that																																											
Procure	Procurement and Programme	Risks in procuring project; transfer of risk and complex contract and once a contractor is engaged, risk can																																											
Stake	Strategic / Stakeholders	Risk arising from key strategic decisions or by key stakeholders.																																											
Land	Land assembly	Risks relating to the site ownership																																											

Hospitalfield House

Risk Headlines

Current Average Risk Score	3.2985
Number of Live Risks	42
Number of High Level Risks	2

Top 10 Risks This Month

RISK ID	RISK HEADLINE	RISK TITLE	CONSEQUENCES	Likelihood	Impact	Score
59	Funding	Budget & contingency insufficient to meet cost of works	Additional funding streams required, or cost cutting	5	4	20
66	Site	Contamination found on site	Cost implications	5	4	20
1	Site	Discovery of Asbestos	Project delays and cost of removal	5	3	15
4	Site	Fire during construction	Risk to lives, risk to historic building fabric, project delays and increased project costs	3	5	15
24	Site	Delay during construction	Increased project costs	5	3	15
61	Site	Contractor & supply chain insolvency	Disruption to works, cost and programme	4	3	12
10	Site	Structural instability and discovery (blockwork)	late stage changes to design leading to project delays	5	2	10
63	Site	Delay to client planting as a result of late construction activity	Programme delay due to seasonal planting	5	2	10
23	Access	Higher percentage of existing historic fabric rotten or unusable than anticipated	More stone needs replacing, increased cost	4	2	8
62	Site	Labour (un)availability	Disruption to works, and programme	4	2	8

Specific Actions:

--

Hospitalfield House Risk Register										
Rev:										
RISK ID	RISK HEADING	RISK TITLE	CONSEQUENCES	Likelihood	Impact	Score	MITIGATION / CONTROL MEASURE	RISK OWNER	HARTS	COMMENTS / UPDATE 22/03/20
59	Funding	Budget & contingency insufficient to meet cost of works	Additional funding streams required, or cost cutting	5	4	20	Manage change process Identify issues early Consider funding routes	M+A		Contamination and propping has challenged existing contingency
66	Site	Contamination found on site	Cost implications	5	4	20	Site survey during design Remediate as required	Hospitalfield		Occurred - testing underway to identify extent and consider options
1	Site	Discovery of Asbestos	Project delays and cost of removal	5	3	15	Commission Asbestos survey to ascertain extent Review possibility of third party removal	Hospitalfield	H	Has occurred and costs ascertained. Risk increased.
4	Site	Fire during construction	Risk to lives, risk to historic building fabric, project delays and increased project costs	3	5	15	No hot works on site, contractors require permits to work CHAP briefing on fires in historic buildings - GSA etc.	CHAP	T	Impact noted as low previously. Has been corrected
24	Site	Delay during construction	Increased project costs	5	3	15	Complete information, Good contractor selection process, good change control process	CHAP/Hospitalfield	R	Risk increased due to Covid-19. Delay has/will occur, extent unknown
61	Site	Contractor & supply chain insolvency	Disruption to works, cost and programme	4	3	12	Regular dialogue	Hospitalfied & CHAP	T	Increased risk due to Covid-19
10	Site	Structural instability and discovery (blockwork)	late stage changes to design leading to project delays	5	2	10	Opening up and investigations at early stage. Temporary works by CHAP	David Narro	R	Risk has occurred - fererery and café walls considered a concern and propping proposed
63	Site	Delay to client planting as a result of late construction activity	Programme delay due to seasonal planting	5	2	10	Dialogue	CHAP	H	Increased risk due to Covid-19
23	Access	Higher percentage of existing historic fabric rotten or unusable than anticipated	More stone needs replacing, increased cost	4	2	8	Thorough Stage 3 site investigations and opening up works	Hospitalfield	R	Risk increased due to openign up works by CHAP identifying need for infills etc. Costs not significant yet
62	Site	Labour (un)availability	Disruption to works, and programme	4	2	8	Regular dialogue Supply chain resilience for CHAP	CHAP	H	Increased risk due to Covid-19 and resource demands post lockdown
2	Site	Discovery of Archaeology	Project delays and costs due to the need for an archaeological dig prior to construction	2	3	6	Commission desktop study, early consultation with the council's Archaeological service Contractor awareness and process	Hospitalfield	H	Majority of excavation has been undertaken by CHAP and no artefacts found. Risk reduced
3	Funding	VAT refund is denied or less than expected	Increased fundraising target	3	2	6	Agree VAT refund with HMRC Impact of Covid-19 relief to be investigated	Hospitalfield	H	Unchanged
58	Site	Theft & vandalism etc	Cost, risk to H&S	2	3	6	Low risk due to location Contractor to protect and insure site	CHAP	T	
60	Site	Design insufficiently complete and/or coordinated to allow works to proceed smoothly	Re-design, cost and programme	3	2	6	Design coordination pre tender Manage change post contract award	Hospitalfield	R	
11	O&M	Construction disrupts revenue generating activity on site	Revenue loss	2	2	4	Put together business plan for the construction period, appoint a Construction Manager in stage 4 Planning events and notification Demarcation of spaces Considerate construction site - tidy etc	Hospitalfield/CHAP	H	Being managed
15	O&M	Running and maintenance costs of new buildings are too high post completion	time and cost implications	2	2	4	Running cost modelling during stage 3 to clarify, identify and reduce running costs	Max Fordham	A	
18	Boundary	Defects in the existing heating and electrical system in the main house	cost of upgrading existing system	2	2	4	Investigate existing systems	Max Fordham	R	Remains - a low risk
55	O&M	Contractor on site causes disruption to residents, staff and visitors	Damage to reputation of the institution, bad contractor relationship	2	2	4	Considerate Construction Scheme	CHAP	T	Note - duplicate risk
57	Site	Trespass	Risk to H&S	2	2	4	protection of site by CHAP Notification to other site users	CHAP	T	
67	Client	Interface of artists and construction activity	H&S impact	4	1	4	Briefing artists CHAP demarcation	Hospitalfied & CHAP	R	
29	Design	Size of structure increases at later stage	Cost & programme implications	3	1	3	Regular peer review of calculations, build in tolerances at early stage	Hospitalfield	R	Remains - a low risk
32	Legal	Appointments of consultants not made	Project delay and loss of BREEAM credits	3	1	3	Regular project team meetings Draftings of appointments	Hospitalfield	R	Remains - only CSTJ to resolve and works largely complete. Issue for CW however
65	Site	Unexploded ordnance is found on site requiring specialist removal	cost & time	1	3	3	Undertake desktop/mapping site briefing/toolbox talks	Hospitalfield	R	
12	Design	Existing Fire alarm and electrical systems not certified	cost of certification, potential upgrading of systems	2	1	2	Check that certifications are up to date	Hospitalfield	R	WAS THIS CHECKED?
14	Client	Client changes mind at late stage	late stage changes to design leading to project delays	1	2	2	Clear and agreed sign off process	Hospitalfield	R	Reduced likelihood
26	Design	Design quality not high enough	Late stage changes to design leading to project delays	2	1	2	Peer review, production of drawings and models	Hospitalfield	R	Closed - signed off and tendered
27	Design	Poor coordination	Additional design work, time and cost implications	2	1	2	Regular design team meetings and consultant workshops. Regular drawing exchange	Hospitalfield	R	Unchanged - pending conclusion of site works
28	Land	Architect changes design at late stage	Additional design work, time and cost implications	2	1	2	Ensure regular feedback on the design	Hospitalfield	R	Remains - a low risk
30	Design	Underestimation of the concrete reinforcement	Cost & programme implications	2	1	2	Regular peer review of calculations, build in tolerances at early stage	Hospitalfield	R	Remains - a low risk
31	Funding	Change in VAT situation	Increased fundraising target	2	1	2	Monitor policy	Hospitalfield	R	Remains - impact of Covid-19 relief to be understood
33	Legal	Consultants and Contractors not covered by insurance	Cost, legal implications	2	1	2	Confirm that all parties employed directly by Hospitalfield Arts are covered for work on site	Hospitalfield	R	Remains - only CSTJ to resolve
35	Funding	Eligible work for HistoricEnvironment Scotland grant less than expected	Increased fundraising target	2	1	2	Identify all eligible works in cost plan	Morham & Brochie	R	
42	Site	Flood during construction	Damage to historic fabric, project delays	2	1	2	M&E contractor vetting	Max Fordham	R	Remains
43	Site	Poor quality construction	Time delays as elements need rebuilding	2	1	2	PQOs and robust contractor interview process	CHAP	T	Remains
45	Client	Fixtures furnishings and equipment not scoped	Unexpected costs	1	2	2	Produce brief and budget for fixtures, furnishings and equipment	Hospitalfield	A	
19	Site	Access during construction	Limitation on size of vehicles, requires coordination	1	1	1	Appraise existing roads and compile report on the limitations of the existing site access	CHAP	T	Reduced risk
20	Site	Access for refuelling vehicles	Limit on size of vehicles, smaller and more frequent deliveries could be more costly	1	1	1	Appraise existing roads and compile report on the limitations of the existing site access	CHAP	T	Reduced risk
34	Site	Discovery of hidden services	Project delays and costs	1	1	1	Further investigations, GPR	Hospitalfield	R	Reduced risk - most excavation complete
39	Site	Building legislation changes	Standards become more difficult and more expensive to achieve, time and cost implications	1	1	1	Monitor legislation changes and react early	CHAP	T	Reduced - limited risk now on site
40	Stat	Discovery of protected wildlife in structures earmarked for demolition	Work on site has to stop	1	1	1	Early commissioning of an ecological survey to check for protected wildlife locations. Implement action plan and contingency for dealing with a bat roost.	Hospitalfield	R	Reduced - demolition has progressed and not found

49	Client	Slow decision making	Time and cost implications	1	1	1	Ensure regular feedback on the design	Hospitalfield	R	
50	Design	Late briefing for IT/AV	Late stage changes to design leading to project delays	1	1	1	Appoint IT/AV consultant in stage E	Hospitalfield	R	
5	Funding	Client doesn't raise enough money	Project delays	0	0	0	Fundraising strategy	Hospitalfield		Closed - funds for Phase 1 Gardens & outbuildings secured
6	Stat	Planning permission not granted	time and cost for re-application	0	0	0	Early consultation with planners	Caruso St John		Closed - permission granted
7	Stat	Listed building consent for garden not granted/planning	time and cost for re-application	0	0	0	Early consultation with Historic Scotland	Caruso St John		Closed - permission granted
8	Funding	Tender returns too high	Client can't afford the project, late stage fundraising or late stage VE proccess	0	0	0	Good cost plan, market testing, pre tender estimate	Morham & Brothie		Closed - G&OB contract let
9	Design	Condensation in building fabric	cost	0	0	0	Condensation risk analysis calculations	Caruso St John		Closed - new risk on unidentified damp
13	Site	Unclear briefing	late stage changes to design leading to project delays	0	0	0	Regular presentations of the design, opportunity to comment	Hospitalfield		Closed - design stage risk
16	Design	Existing power supply at Hospitalfield does not have adequate capacity to be extended	cost of upgrading existing system or installing additio	0	2	0	Investigate capacity of current system	Max Fordham		Closed - PRESUMABLY THIS WAS CHECKED?
17	Design	Existing heating system does not have capacity to be extended into new	cost of upgrading existing system or installing additional system	0	2	0	Investigate capacity of current system	Max Fordham		Closed - PRESUMABLY THIS WAS CHECKED?

THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST (2010)



HOSPITALFIELD

REVIEW OF TRADING REVENUE ESTIMATES

JUNE 2020



90 CHARLESTON

GLAMIS

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SCOTLAND UK

ADMIN@THEGLAMISCONSULTANCY.COM

01307 840343

TABLE OF CONTENTS

Section	Title	Page
	Executive Summary	3
1	Introduction	4
2	Review of Trading Income at Hospitalfield	4
3	Observations on Café and Retail Revenue Potential	14
4	Conclusions	16

Executive Summary

We have undertaken an assessment of the trading revenue estimates included in the Full Business Case for the major capital investment project at Hospitalfield House in Arbroath.

Our findings are as follows:

1. Revenue from Rental from the Cottage

- Our assessment of rental income from the Cottage is based on a slightly different financial model from that used in the Full Business Case estimates.
- The estimated rental income from the Cottage set out in the Full Business Case may be over optimistic due to a higher than comparable rental rate and occupancy rate being applied
- But overall, the figures are not significantly different from our own estimates
- Differences in estimates are due to assumptions made in rental rate and occupancy values used to make the estimates

2. Revenue from Rental from the Greens

- Our assessments of revenue from rental of the Greens are based on a different financial model from that used in the Full Business Case.
- However, the revenue estimates are broadly in agreement with those included in the Full Business Case
- The estimated revenue varies between our assessment and the Full Business Case due to differences in the models and assumptions used
- However, they are broadly comparable and lie within the same range of revenue values

3. Other Revenue Sources

- We have identified the potential for further revenue streams from the café and highlight potential for revenue generation from sale of branded merchandise and art products through a retail outlet

4. Conclusions

- In summary, the trading income estimates made in the Full Business Case are likely to represent reasonable and realistic values.

1. Introduction

The Glamis Consultancy has been invited by the Hospitalfield Trust, Arbroath, to review the trading revenue forecasts set out in their Full Business Case¹ in support of funding applications being made for the major capital project to the Tay Cities Deal and other funding sources. We understand that the accommodation, café, and gardens will be run through Hospitalfield Trading, a subsidiary of the Trust, which aims to support Trust activities through generating income from the new developments.

Our brief was essentially to review the trading income estimates included in the Full Business Case and the assumptions made in supporting them. This report sets out our findings.

2. Review of Trading Income at Hospitalfield

2.1. Sources of Trading Income

The principal sources of trading income under review are as follows:

- Self-catering revenue from rentals of the Cottage
- Bookings revenue from the Greens accommodation units

Although not part of our brief, we have also provided an overview of the potential impact of the potential revenue from retail and café sales from 24,000 visitors per year as estimated in the Full Business Case

2.2. Income from The Cottage Self-Catering unit

It is assumed that the Cottage:

- Will be refurbished to a standard which commands a higher price point than is currently the case
- Is marketed as a four to six-bedroom self-catering Cottage – full unit rental rather than by bed space
- Is available for rental all year round
- Appeals to a wide range of customers - families on holiday, groups of arts enthusiasts, artists, golfers, historians, or tourists as part of a wider north-east of Scotland itinerary.
- Can also be made available in association with the groups visiting Hospitalfield to take part in activities or residencies

To estimate gross revenue, we need to know:

- Inventory (The Cottage – marketed and sold as one unit with up to six beds)
- Average price point
- Occupancy Rate

¹ Hospitalfield Full Business Case (FBC) May 2020

2.3. Price Points

We have estimated two price points - average high season and out of season rental prices - based on average prices from five comparator distinctive, high quality self-catering establishments elsewhere in Angus and listed on the website of the agents Sykes Cottages and Booking.com. These comparable establishments are:

- Angler's Bothy, Farnell
- Munro's Cottage, Arbroath
- Brae of Airlie, Airlie
- White Hillocks, Kirriemuir
- Courtyard Cottage, Letham

The comparable rental prices and the average seasonal prices, (including an assumed 20% sales agency commission rate) are shown in Table 2.1.

TABLE 2.1. COMPARATOR SELF CATERING ESTABLISHMENTS		
Location	Price per night	
	Low	High
Angler's Bothy, Farnell	£96	£105
Brae of Airlie, Airlie	£65	£148
Courtyard Cottage, Letham	£65	£122
Munro's Cottage, Arbroath	£65	£114
White Hillocks, Kirriemuir	£58	£135
Average	£70	£125

Source: Sykes Cottages and Booking.com

So, the average price points to be applied are:

- Out of Season £70
- High Season £125

2.4. Applying Average Occupancy Values

Rather than setting an average estimated occupancy rate for the entire year as has been done in the Full Business Case, we have used monthly VisitScotland self-catering occupancy survey data for the City of Dundee and Angus area of Scotland to apply a month by month average occupancy value to the Cottage.

It is assumed that occupancy at the Cottage will largely reflect these average values. These monthly rates in 2018 were as shown in Table 2.2.

TABLE 2.2.
SELF CATERING OCCUPANCY RATES IN ANGUS AND CITY OF DUNDEE

Month	Occupancy rate
J	41%
F	46%
M	56%
A	63%
M	63%
J	66%
J	72%
A	80%
S	53%
O	61%
N	53%
D	58%

Source: VisitScotland Factsheet, Dundee and Angus 2018²

Whilst it is likely that the sample size in this survey may be small, this is the best available data which can be used to allow estimates of monthly occupancy to be made.

2.5. Estimates of Gross Revenue from The Cottage

On this basis we have estimated that the revenue from the rental of the Cottage could gross at around £21,815 per year in the first full trading year (Table 2.3).

TABLE 2.3.
ESTIMATED MONTHLY INCOME FROM THE COTTAGE

Month	Average Occupancy	Price per night (based on comparators*)	Revenue
J	41%	£70	£887
F	46%	£70	£899
M	56%	£70	£1,212
A	63%	£125	£2,359
M	63%	£125	£2,437
J	66%	£125	£2,471
J	72%	£125	£2,786
A	80%	£125	£3,095
S	53%	£125	£1,984
O	61%	£70	£1,320
N	53%	£70	£1,110
D	58%	£70	£1,255
Total Income			£21,815

² VisitScotland Insight Department: Dundee and Angus Factsheet 2018

2.6. Comparison with the Full Business Case

The estimated income from the Cottage, based on occupancy rates and comparable rental prices typical of the Angus & Dundee area, is lower than that estimated in the Full Business Case.

The gross revenue comparisons are shown in Table 2.4.

TABLE 2.4. COMPARISONS OF GROSS REVENUE FROM THE COTTAGE	
Full Business Case	Current Assessment
£36,000	£21,815

Having had sight of the assumptions behind the Full Business Case, it appears that the main difference in the gross rental income relates to:

- The assumptions on occupancy rates – adopting a full year estimate rather than the more detailed monthly analysis
- Mainly the price points – the rental rates assumed in the Full Business Case are higher than the average rate for comparable properties in Angus and assumes that the property would command a premium price higher than the comparable properties – there is currently no evidence to suggest that it will do so.
- Price points in the Full Business Case are:
 - £65 per night for low cost bookings
 - £120 per night per room
 - £360 per night for full use.

In the Full Business Case the rate charged in high season bookings - £120 per room per night - is high and is almost the average rental rate for entire properties across Angus.

Similarly, £360 per night for full use is excessive compared to an average of £125 per night for comparable properties elsewhere in Angus.

We consider that the level of rental fee for the Cottage is high when compared to properties elsewhere in Angus. Actual experience or detailed market research will determine if the Cottage can indeed command a higher rental rate but for the purposes of the current business case it is prudent to base it on data from comparator establishments.

2.7. Estimating Trading Revenue from The Greens Accommodation Building

Estimating the revenue from the Greens is not precise at this stage in the business planning process. This is because the following factors are not known and are subject to estimates:

- The mix of single and multiple occupancy over the year
- The final unit rental hire prices – to be finalised in due course
- The actual levels of demand

Therefore, the most useful approach is to build a range of revenue estimates based on:

- The known inventory
- A typical rental price
- Agreed illustrative occupancy rates

And present a range of revenue scenarios based on these variables.

The Full Business Case trading revenue estimates are based on the Greens offering the following accommodation:

- A highly attractive architect designed building
- Containing eleven separate ensuite bedrooms
- Nine of which offer two bedspaces
- Whilst the other two potentially offer up to 4 bedspaces
- Total of 26 bedspaces

Thus, the total number of bedspaces available every night is:

- Single occupancy = 11 bedspaces
- Full occupancy = 26 bedspaces

2.8. A Distinctive Offer

The experience of running existing accommodation at Hospitalfield means that the Trust understands the markets into which it can best expand, and which cannot currently be accommodated due to the quality of the existing facilities. These markets require:

- Single occupancy,
- En suite bathrooms
- A mix of catering offers
- Flexibility to meet the demands of the group market

We understand that the Greens accommodation block has been designed to address these requirements, and will distinctive, high quality and contemporary accommodation based on the scale of the residential events that Hospitalfield can host and the size of the site. The quality of the accommodation will be critical to appeal to those markets, and the reputation of the architects will bring considerable interest and bring their own followers to experience the building.

The revenue accruing from the Greens is therefore assumed to be mainly dependent on group bookings from a range of activities throughout the year and revenue estimates are based on that assumption.

2.9. Comparator Rental Rates from Residential Arts Centres

Because of its location and close links to Hospitalfield, the Greens is a highly distinctive, contemporary accommodation offer. The nearest comparators are arts centres which offer residential experiences across a wide variety of artistic disciplines within high quality onsite accommodation. They are:

- Big Sky Art, Norfolk
- Dedham Hall, Essex
- Higham Hall, Lake District
- West Dean College, Sussex

Therefore, we have based average daily room rates on an average hire rate from several comparator establishments. The published rates for the artistic courses and programmes offered at each site include accommodation costs.

One centre, Dedham Hall, also offers an “accommodation only” option in the manner planned for Hospitalfield. This gives an insight into the percentage of total costs which are related to accommodation at Dedham Hall. The percentage is estimated at 62%.

Therefore, if it is assumed that the 62% accommodation cost can typically be applied across all venues, then the net accommodation costs are shown in Table 2.5.

TABLE 2.5.		
COMPARATOR RESIDENTIAL ARTS CENTRES		
Location	Total Price Per Person per Night	Price Per Person per Night - Accommodation Only
West Dean College, Sussex	£138	£86
Big Sky Art, Norfolk	£152	£94
Higham Hall, Lake District	£115	£71
Dedham Hall, Essex	£121	£75
Average	£131	£81

We have assumed that the average pppn of £81 “accommodation only” price is typical and has therefore been used in our revenue estimates.

We assume that the price point is not seasonally based and that the Greens are available for occupancy all year round. Reasons for visitors to come could include.

- Participation in Hospitalfield ’s own artistic programme
- To undertake residencies
- For private use if visiting the area for e.g. business or study reasons
- Third party hire by other arts-based organisations
- Small scale Conferences and meetings – association or corporate
- Leisure group visitors – golf, fishing, etc

We have not used comparator values from the hotels or guest house/B&B sectors because they are not directly comparable types of establishments.

2.10. Estimating Occupancy Rate

Bed occupancy rates are based on two scenarios:

- Applying the actual monthly occupancy rates based on what Hospitalfield currently experiences.

- Applying occupancy rates ranging from 40% in year 1 to 60% in year three as set out in the Full Business Case – given the types of activities planned at Hospitalfield these appear to be reasonable assumptions.

2.11. Revenue Based on Current Occupancy

Based on application of weekly occupancy rates experienced during 2019 and applying them to the number of bedspaces available per night at the Greens (26) and the average accommodation price of £81 pppn, the number of bednights and revenue would be as shown in Table 2.6.

TABLE 2.6. ESTIMATING REVENUE FROM APPLYING CURRENT SUPPLY			
	Estimated		Actual - 2019
Quarter	Bednights	Revenue	Revenue
Q1 2019	551	£44,926	£17,206
Q2 2019	1,181	£96,228	£38,121
Q3 2019	1,760	£143,379	£49,688
Q4 2019	1,334	£108,683	£37,693
TOTAL	4,827	£393,217	£142,708

Table 2.6 shows that if the Greens had been available in 2019, based on the current levels of occupancy and but with a greater number of high-quality rooms and a higher price, the revenue could be increased from the current £143k to nearer £394k based on occupancy rates assumed in the Full Business Case.

2.12. Applying Full Business Case Occupancy Rates

As currently configured, the Greens will offer:

- Nine twin rooms in double or single occupancy configuration.
- Two larger rooms which will accommodate up to four people and are fully accessible.
- All would be available on a single room or multiple occupancy basis

Dependent upon the bedspace occupancy the actual visitor numbers will be:

- 26 visitors maximum per night if bedspace occupancy is 100% per night
- 11 visitors maximum per night if bedspace occupancy is based on all rooms with single occupancy

2.13. Revenue Estimates Scenarios

Based on the above, we have estimated the following range of revenue scenarios:

a) Scenario 1

Full bedspace occupancy at 40% average over a year estimated in the Full Business Case (Year 1)

b) Scenario 2

Single bedspace occupancy at 40% average over a year estimated in the Full Business Case (Year 1)

c) Scenario 3

Full bedspace occupancy at 60% average over a year estimated in the Full Business Case (Year 2 and beyond)

d) Scenario 4

Single bedspace occupancy at 60% average over a year estimated in the Full Business Case (Year 2 and beyond)

*NOTE that in all scenarios it is assumed that January and February are “quiet” months with little or no occupancy at all.

The resulting revenue estimates are summarised in Table 2.7.

TABLE 2.7.				
ESTIMATED REVENUE FROM THE GREENS				
Scenario	Available Bedspaces	Average Occupancy (from Full Business Case)	Average Price per person per night (based on comparators*)	Estimated Revenue
1	26	40%	£81	£259,264
2	11	40%	£81	£109,689
3	26	60%	£81	£388,896
4	11	60%	£81	£164,533

2.14. Comparison with the Full Business Case

In the Full Business Case the estimated revenue from the Greens in Year 1 and beyond is shown in Table 2.8.

TABLE 2.8.				
COMPARISON WITH THE FULL BUSINESS CASE				
	Year 1	Year 2	Year 3	Year 4
Students or low-cost bookings	£50,700	£101,400	£121,680	£121,680
Creative Industries - study groups	£29,700	£59,400	£71,280	£71,280
Commercial groups or individual bookings	£39,600	£79,200	£95,040	£95,040
Total	£120,000	£240,000	£288,000	£288,000

The range of revenue estimates in our analysis are compared with the Full Business Case in Table 2.9.

TABLE 2.9.
COMPARISONS OF REVENUE ESTIMATES

Source of Estimate	Low End of Range – Year 1	High End of Range – Year 2 and Beyond
Full Business Case	£120,000	£288,000
Current Estimate	£109,689	£388,896

Our estimates cover a broader range of revenue scenarios but the entire range of revenue estimates in the Full Business Case falls within our range of revenue estimates – indicating that both methods have reported similar trading income from the Greens.

Table 2.9 shows that the two ranges of estimated revenue, derived in different ways, overlap considerably and are broadly similar in order of magnitude and potential revenue.

The main differences are that our lower end is below that in the Full Business Case whilst our estimates envisage a higher income from the 60% occupancy level than the upper end of the Full Business Case estimates.

2.15. Conclusions

It appears that the Full Business Case

- May have slightly overestimated the revenue from the Cottage
- May have slightly underestimated the potential revenue from the Greens
- However, the actual values are dependent entirely on the assumptions made and the financial model used to generate the revenue estimates
- Both models generate revenue estimates which are comparable in order of magnitude and general range of income levels.

Therefore, our overall assessment is that the estimates produced in the Full Business Case form a reasonable basis for building the financial projections for trading income at Hospitalfield.

2.16. Estimates of Retail and Café Income

Estimating visitor numbers was not part of our brief but we have formed a view on the “top line” impact of potential retail and café income. We do not consider a total footfall of 24,000 visitors to be unrealistic. We understand that this figure includes:

- Residential visitors staying in the Cottage and/or Greens
- Day visitors who are buying tour tickets
- Local visitors from Arbroath who may be regulars using the café or visiting for other reasons

It is not possible to estimate how the 24,000 splits into tourists and residents of Arbroath as this would require further research. Nevertheless, we have been able to estimate the “top line” potential revenue from a branded retail outlet and the café based on this figure and using readily available data.

2.17. Revenue from Sale of Branded Merchandise and Appropriate Merchandise

Although the current proposals do not envisage a dedicated retail space, we suggest that it is worthwhile considering this option if possible.

Branded merchandise supported by a range of other appropriate products such as art books and materials may command a relatively high retail price.

Based on average retail income of £2.91 per visitor from the 2017 Scottish Visitor Attractions Monitor³ for “historic houses/palaces” it is estimated that gross retail revenue from 24,000 visitors could accrue to the value of £69,840. However, this is dependent upon the mix of residential visitors and day visitors.

2.18. Potential Revenue from the Glazed Café

We assume that the glazed café is used by residential visitors and day trippers who are:

- Visiting Hospitalfield and intend to pay the £6 admission fee to participate in the tour
- Local residents who find the venue and the café attractive and are regular visitors
- Overnight residents staying at the Cottage or Greens

On the basis of 24,000 visitors per year, and based on average catering income of £2.70 per visitor from the 2017 Scottish Visitor Attractions Monitor for “historic houses/palaces” it is estimated that catering revenue from 24,000 visitors of £64,800 per year could accrue from the glazed café.

These estimates of retail and café income are illustrated in Table 2.10.

TABLE 2.10. POTENTIAL GROSS RETAIL AND CAFÉ INCOME	
Retail	
Footfall	24,000
Retail Income per visitor	£2.91
Total income from retail	£69,840
Catering	
Footfall	24,000
Café Income per visitor	£2.70
Total income from café	£64,800
Total Café and Retail Income	£134,640

Combined income from retail from café and retail offers could be around £135k based on average values from the Visitor Attractions Monitor.

³ Scottish Visitor Attractions Monitor, 2017: Moffat Centre for Travel & Tourism Business Development

2.19. Total Trading Income

Combining the estimated trading income from:

- The Cottage
- The Greens (Based on the 40% occupancy assumption)
- Catering
- Retail

A summary of the estimated total trading income from visitor related activities is presented in Table 2.11.

TABLE 2.11 POTENTIAL TOTAL TRADING REVENUE	
Cottage	£21,815
Greens	£259,264
Retail	£69,840
Catering	£64,800
Total Gross Income	£415,718

The combined trading income from all sources could be around £416k based on the foregoing analysis.

We conclude that there is likely to be scope to enhance revenue streams further if attention is given to maximising the appeal and offer of the glazed café and to the introduction of a suitable themed, branded and presented quality retail offer.

3. Observations on Café and Retail Revenue Potential

A few other, hopefully helpful, comments are offered in relation to the Full Business Case

3.1. Marketing Strategy and Budget

We believe that the marketing budget is somewhat light – there appear to be no production, distribution, and social media costs however we understand that this will be addressed through the appointment of a marketing consultant.

Even in the digital age, high quality hard copy marketing materials will be required to support aspects of the marketing and visitor management activities.

3.2. The Meetings Market

Having consulted with Dundee and Angus Convention Bureau, we are of the view that Hospitalfield could offer a unique small venue which could be included in the portfolio of specialist venues available to conference organisers bringing their events to Dundee and Angus.

We understand that Hospitalfield could handle plenary events of up to 90 delegates. Many of these events take place at times of the year – March and April, September to November, rather than in summer when the centre is in use in support of Hospitalfield own activities and those of its collaborators - universities, art schools, cultural and creative institutions and individuals.

We suggest that early engagement is made with the Convention Bureau to ascertain how Hospitalfield could become an asset to the business events and conferences offer which is strong in the Angus and Dundee area.

3.3. Impact of Coronavirus

Covid19 is currently wreaking havoc in the global tourism industry. It remains to be seen how the sector will recover. However, current consumer insights in Scotland ⁴ clearly show that:

- Staying home is likely to be the trend for the next few years in most countries
- Longer term holiday planning is the new normal for potential visitors – they need to feel safe
- But they will expect cleanliness and assurances over social distancing possibly with QA guarantees
- Rural areas with quality self-catering and “out of the way” locations are more likely to see early return of visitors than urban centres and cities
- And self-catering is likely to be the preferred accommodation type when visitors can travel again
- There is, as yet, little ‘appetite’ for eating or drinking out whilst on holiday
- Health and safety impacts of Covid19 will play a role in shaping the nature of holiday choices in the months ahead:
- There are few real insights into how the group market will respond but it is likely that visitors will be more likely to restrict their contact to family groups for some time

3.4. The Groups Market

In the post Covid19 groups market, organisers may now be considering introducing hybrid meetings - not to replace face to face meetings - but to attract new audiences and increase their membership and the number of members that can attend meetings. This makes for a more inclusive event and allows small venues to target larger meetings with the offer of a hybrid/virtual solution – partnering with an AV company that is experienced at running hybrid/virtual meetings may be worthwhile – offering flexibility for both the venue and the organisers.

3.5. Building Design

The building design should consider the need for social distancing. Currently the “refectory” style dining area in the Greens may prove to be less attractive even for groups but design modifications may need to be considered on the basis of what happens to the need for social distancing as the project evolves and as Covid19 impact becomes clear.

⁴ Scottish Tourism Index: 56 Degree Insight Ltd, May and June 2020 Editions

4. Conclusions

The conclusions from the foregoing assessment are as follows:

4.1. Revenue from rental of the Cottage

- The estimated revenue in the Full Business Case from rental of the Cottage may be a little over optimistic on account of a higher than comparable rental rate being used in the Full Business Case
- But overall, the figures are not significantly different from our own estimates
- Any differences are likely to be due to minor differences in assumptions made in rental rate and occupancy rather than fundamentally inaccurate

4.2. Revenue from rental of the Greens

- Our assessments of revenue from rental of the Greens are based on a different financial model from that used in the Full Business Case.
- However, the revenue estimates are broadly in agreement with those included in the Full Business Case
- The range of revenue estimates varies between our assessment and the Full Business Case due to differences in the models and assumptions used, but they are broadly comparable

4.3. Other Revenue Sources – Café and Retail

- We have identified the potential for further revenue streams from the café and highlight potential for revenue generation from sale of branded merchandise and art products through a high-quality retail outlet

4.4. A Personal Perspective

As former CEO of Angus & Dundee Tourist Board I was a regular visitor to Hospitalfield for a range of activities. I was of the opinion that Hospitalfield was a superb asset with a unique artistic heritage which seemed to be underselling itself and very much hid its appeal from the wider public.

In my opinion, this project is visionary and will raise Hospitalfield to the level at which it can play an appropriate role as a unique and appealing artistic and economic resource for Angus and for Scotland as a whole.

4.5. Overall Conclusions

In summary, the trading income estimates made in the Full Business Case are likely to be reasonable and realistic, subject to variations in methodology used to estimate revenue and the actual experience of Trust operations at Hospitalfield.

4.6. And Finally

This report is based on available evidence and knowledge of the tourism sector in Angus and more widely across Scotland and elsewhere. We aim to ensure that our work is evidence based rather than opinion based, and arguments are backed up by reference to original sources as far as possible.

If any findings are disputed, we are happy to clarify the rationale behind our conclusions. However, we fully expect that any challenges to those conclusions would also be backed up with robust evidence from recognised sources. “I just don’t agree” is not an argument against conclusions supported by robust data.

We very much hope that this study is of assistance to Hospitalfield in its efforts to develop as an important part of the Tay Cities Region tourism programme.

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