

Dufftown and District Community Association

Dufftown Clock Tower: Business Plan for Future Use

September 2022



1 Executive Summary..... 2

2 Introduction and Background..... 5

3 Community Engagement and Research..... 9

4 The Asset: Dufftown Clocktower16

5 How the asset will help us meet the need20

6 Development Costs22

7 Funding Strategy24

8 Income Generation and Financial Viability26

9 Risk and Risk Mitigation31

10 Appendix 1 : Profit and loss 2024 – 2025.....32

1 Executive Summary

1.1 Background and Vision

Dufftown and District Community Association (DDCA) bought the iconic Dufftown Clocktower from Moray Council in 2019 for £1 under a Community Asset Transfer in order to preserve the building and develop it into a functional asset for the community. The Grade B listed is located in the square of Dufftown town centre in the heart of the town and is seen as the natural meeting/congregating point.

The stone Tower is in a state of disrepair; currently deemed unsafe due to water/damp ingress into the electrics; and power has been shut off. It is formed over 4 floors; the ground floor was used as a visitors centre until 2014. The upper floors are accessed via a narrow spiral staircase. Floors 1-3 are now essentially empty, and stripped back to the bare stone. They had been used as residential accommodation until the 1960s. The fourth floor houses the clock mechanism, accessed via a fixed wooden stair. Access to the roof is via a ladder and through a window. There is minimal standing room on the fourth floor, due to the clock itself, which has been restored.

Delfinity were engaged under the HIE Support for Communities Framework to support DDCA in developing a sustainable future for the Clocktower that would meet the needs and ambitions of the community.

The vision that emerged was for the building is create a flexible facility that both serves the local community and is a destination for visitors – for information and for unique accommodation.

1.2 Methodology

Delfinity worked closely with DDCA to deliver the plan, with input from their architectural associates Oliver Chapman Architects. Building on previous consultations, existing drawings and a recent condition survey, an initial discussion was held with the building standards and planning services at Moray Council to understand the constraints and opportunities for the building, bearing in mind its unique and complex nature.

Delfinity then consulted widely with other community organisations to understand how the Tower might complement existing assets and service provision in the town to ensure that proposed uses were beneficial to the community and businesses locally.

The proposed uses, with architectural sketches were shared with the wider community through an open public meeting. This confirmed that the recommended uses were agreeable to those present, enabling a more detailed analysis to be carried out.

1.3 Recommended uses for the Clocktower

A number of the potential uses that had been suggested for the Clocktower were assessed to be challenging to achieve due mainly to fire regulations and to the B-Listing. Any multi-use occupancy would require a change of use, and this would then require that the plans met building regulations.

Use of the ground and first floor together, for use such as a museum, would be more straightforward. However, there are no simple solutions to provision of access to the first floor for the general public as the only access is via the spiral stair.

Domestic/residential use of the higher levels by one tenant would be feasible and there is a separate entrance at ground level, from the south, leading directly to the internal stair, supporting a separate use. The first and upper floors of the building were most recently (to the 1960s) used as a residential home, and this would avoid the need for a change of use application and therefore of modern building regulations and is also likely to provide justification for domestic/holiday let use.

Looking at local need and demand, the vision that was arrived at is

**a flexible facility that both serves the local community and is a destination for visitors
– for information and for unique accommodation**

Ground floor

The plan is to develop the ground floor of the Clocktower into a flexible space, for community group usage and commercial use. The ground floor of the building is accessible, with level access, and houses a WC. Organisations would be able to take over the space for varying periods of time to hold

- Exhibitions
- Fundraising activities, such as a 1 week pop-charity shop
- Meetings

It can also be hired out for commercial activities such as whisky tasting, art and craft exhibitions and small scale performance.

The ground floor will also house a basic visitor information station, with literature available. This will be complemented by information on boards external to the Tower, in the public space surrounding it, detailing QR codes and other links to relevant information on the web.

Floors 1-3

A unique, high-quality 1 bedroom apartment will be developed to attract visitors and generate income to run and maintain the Clocktower. Using the less-accessible upper floors of the Tower, and with a separate entrance, the unit will be open year-round. There is strong demand for unusual holiday accommodation and Dufftown is in the centre of Whisky Country.

1.4 Management and Volunteering

Management of both the community space and the apartment will be undertaken by DDCA, on a volunteer basis. Cleaning will be outsourced to a local individual or company, providing a modest level of employment.

The Clocktower support expansion of volunteering in Dufftown, from the restoration and renovation of the building, its management and through the provision of affordable space for third sector organisations

1.5 Cost

Initial urgent and essential repairs totalling £75,755 ex VAT were costed in May 2021, plus preliminaries and contingencies of £21,250. Refurbishment costs were a further £9,013 for the ground floor.

The QS costings of the plans prepared by Oliver Chapman Architects for this brief showed a significant increase in both repair and refurbishment costs. These costs are:

	Cost	Prelims	Contingency	Total before VAT
Repairs	292,595	43,890	33,515	370,000
Alterations	225,205	33,781	25,899	284,884
Total	517,800	77,671	59,414	654,884
VAT at 20%				130,977
Total including VAT				785,861

The reasons for the increase in repairs costs relates to assumptions on the extent of roof replacement and repairs, and the extent and costs of repointing. Expert advice including from Heritage Environment Scotland is recommended to further refine the scope narrow these estimates.

The alterations costs include a domestic sprinkler system at £28,800 which is assumed but requires confirmation with Planning; and timber wainscoting at £47,565 where alternative and cheaper forms of internal insulation may be available.

Ongoing development of the architectural designs through RIAS stages 1 – 3 will also assist in this process. It is recommended that DDCT set a target based on these costs of at least £800,000 for fundraising as, in addition to build costs and design team fees, there will be costs for project and funds management.

It is also recommended that specialist VAT advice is taken to see if the VAT costs can be reduced.

1.6 Funding

The funding strategy suggest that a variety of funding sources will be required. Early sources would be Architectural Heritage Fund to help further refine and define the scope of works. National Lottery Heritage Funds will be a key funder, and will help unlock and support other funding applications.

1.7 Financial Viability

Funding will be required for the initial repairs and the conversion of the building. When the holiday let is up and running, the Clocktower is forecast to be self-funding day to day. Significant repairs are anticipated to require specific funding, to be identified and sought as required.

Key income generators will come from the following areas which are set out in detail in the cash flow projections:

- Self-catering accommodation bookings
- Booking fees for the ground floor space

Full and detailed cash flow projections can be seen at appendix 1.

	2024 (part)	2025	2026	2027
Flat letting income after direct costs	13,101	12,618	19,676	20,069
Room rental income	2,160	5,650	5,907	5,940
Total charity income	14,778	25,326	25,976	26,410
Total overheads	6,165	10,029	10,560	10,871
Total surpluses	8,614	15,297	15,416	15,540

The surpluses shown will help contribute to the ongoing upkeep of the clocktower, a building which has been sadly neglected in the past decades and which DDCT and its community aspire to see reinstated as a community asset, delivering social benefits to the village.

2 Introduction and Background

2.1 Background and Project Brief

Figure i. Dufftown Clock Tower



Dufftown Clocktower, a Grade B listed building iconic to the area, is located in the square of Dufftown town centre. Dufftown is at the heart of Speyside whisky country, which is rich in local history with a community proud of its past and unique traditions. DDCA aspires to bring The Clocktower back to a usable condition for the benefit of the whole community and will turn the Clocktower into a flexible community space.

The Tower was most recently used as a visitor centre but was vacated in 2014. The Tower is currently deemed unsafe due to water/damp ingress into the electrics; and power has been shut off. Increasing community concern about the condition of the clocktower lead to DDCA managing the Clocktower in 2017, followed by a community asset transfer from Moray Council for £1.

A Community Survey was carried out in 2018 as part of the Asset Transfer from Moray Council to DDCA, which identified the following uses for the

building:

- Heritage museum
- Tourist information centre with post office
- Whisky tasting sessions
- Meeting space
- Co-working space/hot desks
- Community shop and community café
- Event space
- Office space
- Biomass plant for district heating (discounted).

These options were reviewed by Just Enterprise in 2021, with a report that provided high-level outline of financial viability, capital requirements, fundability and risk.

A Fabric Condition Survey was carried out by Angela Dow Architect in April 2021 which identified a cost of £106,018 (including preliminaries and contingencies but excluding VAT) for building repairs.

The key elements of this Project Brief were:

- Engagement with Dufftown Whisky Museum (next door to The Clocktower) to identify potential for a partnership approach, Dufftown 2000 and Destination Dufftown, required to evidence to potential funders that there is no displacement.
- Review market need and demand – including recent tourism data produced by Visit Moray Speyside and feedback from community engagement to strengthen the proposition.
- 3-Year Operational Financial Projections – for agreed option to feed into full business plan
- Capital Funding Framework/Action Plan.

2.2 Organisational Context

Dufftown and District Community Association (DDCA) was formed as a charitable unincorporated association (CS000025) in 1995 to act as the anchor organisation and key driver of community development in Dufftown and the surrounding districts, ‘creating a fairer community’ by delivering better change for all. It gained incorporated status by becoming a SCIO (SC023622) on 16 November 2015. The Association currently has 4 directors and local members.

The organisation has managed the Clocktower since 2017, whilst it was still in Moray Council’s ownership. The Clocktower project is a top priority of DDCA’s strategic objective ‘Protecting Heritage’ and will ensure that Dufftown is a destination town appreciated by locals and visitors alike. DDCA aspires to bring The Clocktower back to a usable condition for the benefit of the whole community and to turn The Clocktower into a flexible community space with heritage at its heart. The restoration and refurbishment of the Clocktower will support the DDCA’s mission of creating a dynamic community where saving the past and building the future are in balance.

DDCA has undertaken a number of projects including paths upgrade, e-bikes and has started to look at low cost housing for the town.

Following a review of activities in 2020, DDCA embarked on a 3-year Strategy and recruited a Community Development Officer in February 2022 to help deliver this. The post is being part funded 50/50 between HIE and the Dorenell Wind Farm Community Benefit Fund.

Strategic objectives over the next 3-5 years, which will help meet their charitable purpose and achieve their vision, are as follows:

- Improving prosperity – Dufftown is a prospering community where everybody can succeed
- Protecting Heritage - Dufftown is a destination town cherished by locals and visitors alike
- Amenity and Outdoors – Dufftown is a prospering community where everybody can live their best life
- Partners and Opportunities - Dufftown is a prospering community where everybody has opportunities
- Promoting Advocacy - Dufftown is a prospering community where everybody is heard
- Developing Enterprise - Dufftown is a prospering community where everybody can succeed.

2.3 Community enterprises

There are other organisations in the town to be considered when examining options for the Clocktower. These include:

Dufftown 2000 Limited, a charitable organisation which was established in 1996 to promote Dufftown as a mainstream tourism location in Moray. Dufftown 2000 runs the Dufftown Whisky & Heritage Centre in the centre of Dufftown and is seeking funds to expand into the neighbouring building. It arranges events throughout the year to support tourism especially during the shoulder months and in doing so, provide general prosperity to the Town. These events include Whisky Festivals, Whisky nosing and tasting events during the summer months, and Christmas lights along the main thoroughfares of the Town. The Museum records around 5000 visitors per year.

Speyside Youth, a charity who run a youth café facility based in Dufftown Community Centre and who are looking to find permanent premises to enable more activities to support young people in Dufftown and Speyside.

Dufftown Community Centre; the Dufftown Community Centre (DCC) was built before the First World War as a drill hall. In more recent times it was operated by Moray Council as Dufftown Sports & Community Centre. In 2018 it was threatened with closure due to cutbacks and in response the hall users formed a new community group, formed a SCIO (SC048668) and took ownership of the building in 2020, seeking to keep it open and providing for a range of activities and events at the heart of the community. The hall has been regularly used by several groups including Speyside Youth, Dufftown B.A.L.L. (Be Active, Live Longer) Group, Dufftown Small Bore Rifle Club, Dufftown Parent and Toddler Group, and Dufftown Scouts, Cubs and Beavers, and is also available for private hire.

Mortlach Memorial Hall: the Hall was built to commemorate those who lost their lives in WW1. The Hall is owned and managed by Mortlach Memorial Hall SCIO formed in May 2017. This Hall is larger than the Dufftown Community Centre and issued by groups including Indoor Bowling, Scottish Country Dancing Old Time Dancing, Highland Dancing Classes, Art Club, Horticultural Society, Auchindoun WRI, Dufftown Over 60's, Tae Kwan Do, Dufftown Jog Scotland and for Weddings, Anniversaries, Ceilidhs, Birthday Parties and craft fairs. It also hosts the whisky events and promotions put on by Dufftown 2000 Ltd.

The Hall also provides accessible public toilet facilities during limited opening hours.

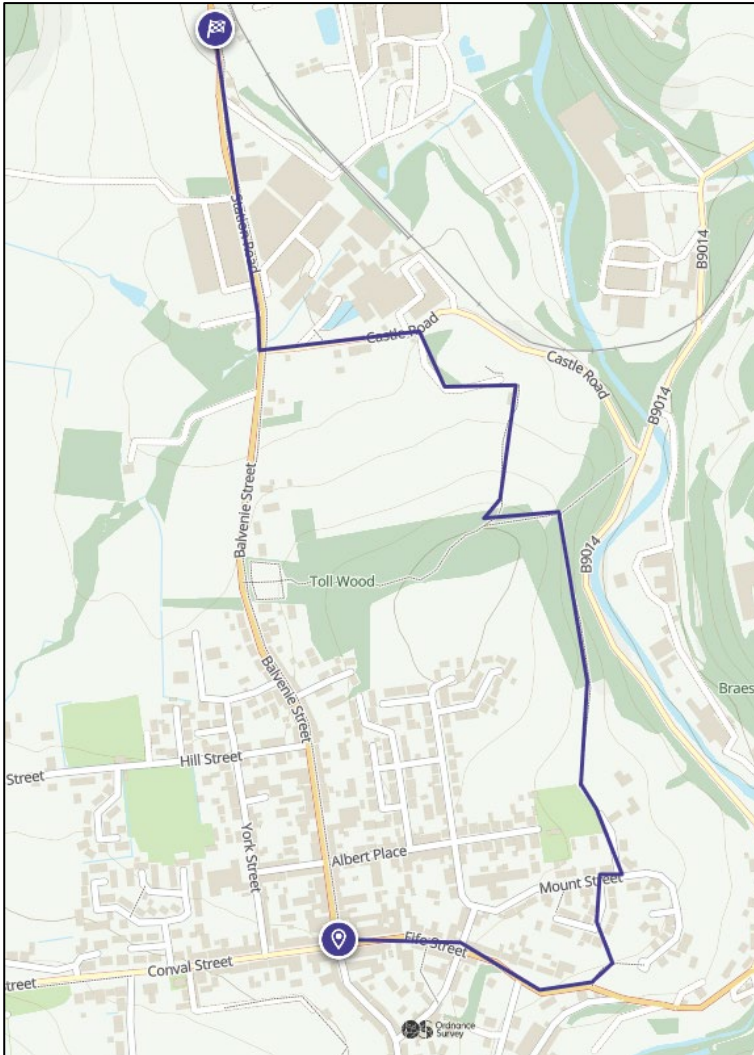
Dufftown and Mortlach Development Trust: this company limited by guarantee was incorporated in April 2020. It works with DDCA to avoid overlap, focussing on projects which celebrate and safeguard Dufftown's history including the Pictish Stones, a Heritage Trail including paths upgrade, and development of a Dufftown History App. The DMDT also run farmers' markets monthly at the Royal British Legion building in Dufftown.

Keith and Dufftown Railway: The Keith and Dufftown Railway owns and runs services along an eleven-mile line linking Dufftown with the historic town of Keith. It runs scheduled services from Easter to end September and delivers around 2000 visitors a month to Dufftown Station. The Station is 1 mile from the centre of Dufftown and the Clocktower and is connected by the main A941 road and also by the Isla Way to the Clocktower. See Figure ii.

Destination Dufftown: this is a private limited company (SC687423) which has recently changed its name to Cultural Experience Ltd. At the time of engagement, this company aimed to provide marketing for the wider Dufftown and Mortlach area. Since Delfinity spoke with an employee of this company about its aims and objectives, all Directors except one have resigned. The company owns a Facebook page which has not been recently updated.

Dufftown local enterprises: Dufftown has been hard-hit by the Covid19 pandemic. The community has lost a number of businesses, including the butcher and Post Office and this has caused significant concern. Other businesses are up for sale, including the chip shop and local accommodation providers.

Figure ii. Isla Way: Dufftown Clocktower to Dufftown Station, via Balvenie Castle



2.4 Local Context

The community has experienced significant challenges with respect to infrastructure due to a previous attempt to consolidate a number of building and operations under one legal and financial developer entity. This privately funded endeavour failed, leading to widespread disappointment, uncertainty and conflict within the community. People who led this private endeavour are now involved with Destination Dufftown, although this has since evolved to Cultural Experience Ltd and may have changed its focus. Dufftown 2000 Ltd has been reported to OSCR on the grounds that some of its activities do not fit with its charitable remit; the charity rejects this claim, but this is an example of some of the disputes within the community.

3 Community Engagement and Research

3.1 Discussion with Moray Council Planning and Building Standards

At the start of the project, the project team raised concerns as the practicalities of use of the Clocktower and the requirements of building and planning regulations. HIE arranged an exploratory discussion with Daniel Last (Building Standards) and Andrew Miller (Planning) from Moray Council.

This meeting identified that a number of the uses proposed in the options appraisal would be challenging to achieve due mainly to fire regulations and to the B-Listing. Any multi-use occupancy would require a change of use, and this would then require that the plans met building regulations. These required that any space over 7m from the ground have regulation sprinkler systems, requiring mains-pressure pumped water, and two exits. The former would be likely to be prohibitively expensive, and the latter would be unlikely to be accepted by Historic Environment Scotland as it would require an external stairwell. These restrictions would apply to the second and third floors, which are currently served by a narrow circular staircase that can only be one person wide.

Use of the ground and first floor together, for use such as a museum, would be more straightforward. However, there are no simple solutions to provision of general public access to the first floor as the only access is via the spiral stair; it might be possible to create a second, wider staircase down from the ground floor roofed area, but it was difficult to see how this could be secured against unauthorised access.

Domestic/residential use of the higher levels by one tenant would be feasible, subject to a 1/2hr fire enclosure/separation from the lower floor(s). There is a separate entrance at ground level, from the south, leading directly to the internal stair, supporting a separate use. The first and upper floors of the building were most recently (to the 1960s) used as a residential home, and this would avoid the need for a change of use application and therefore of modern building regulations and is also likely to provide justification for domestic/holiday let use.

Discussion was held as to the potential of using the flat roof above the 1920s extension. Access from the first floor directly onto the roof may be viable, subject to the provision of safety barriers/railings. Use as a café, with access from street/ground level would not be a preferred option due to the need to install an external stair. There is very little space for a café offer and seating for more than 6 would require a public toilet. There is seating external to the Clocktower, in the paved area directly to the North of the Tower.

Ceiling heights also vary across the floors. Whilst it may be feasible to realign the floor levels, this would require accompanying alteration to the internal staircase, which was built to exit users at the current levels.

The conclusion of the meeting was that use of the floors above ground level by more than one organisation/group of people would be very challenging, effectively ruling out uses such as meeting rooms, event space etc.

3.2 Discussion with DDCA

Delfinity met with DDCA to feed back the outcome of the meeting with Council to understand the views and priorities for the organisation. The Trustees were broadly supportive of the concept of a combination of holiday accommodation and community use for the lower floor(s), subject to retaining use/access to the top floor and roof, both to maintain the clock mechanism and to potentially offer visits there. This could be achieved via a camera obscura relayed to the ground floor and/or providing occasional guided tours of the mechanism.

In terms of ground floor use, there were concerns that a heritage museum could be seen as dull; there would need to be a compelling/unique aspect to the interpretation.

3.3 Feedback from local organisations

Delfinity held face to face meetings on site with:

- Dufftown Whisky Museum and Dufftown 2000
- Destination Dufftown
- Dufftown and Mortlake Development Trust
- Keith and Dufftown Railway

Definity also spoke with Speyside Youth, who held a discussion with their clients and provided feedback.

The approach taken was an open discussion, which also sought to test some initial thoughts identified through the conversation with Moray Council.

Strong support for the Clocktower

The Clocktower was seen by all consultees as the iconic asset for Dufftown. All consultees were enthused by the prospect of a secure future for the Tower and saw it as a project to help reunite the community after the Covid pandemic and after the issues indicated in section 2.4. DDCA's Development Officer, Viktoria Eriksson was also credited with starting to bring the community together through discussion, events and initiatives.

Support for the Project and Potential Uses

All consultees were warm to concept of a flexible space for community and potentially commercial use. Use of the upper floors for visitor accommodation was also seen as a pragmatic use, albeit that access to the Clock and mechanism would have to be maintained.

Comments for use of the community space on the ground floor included

- 'pop-up space for local businesses'
- 'bespoke venue for whisky tasting'
- 'tourist information and mini gallery'
- 'showcase local produce – farmers market/Taste of Speyside'
- 'Visitor centre with interpretation of local history, walks and attractions'

A café/visitor centre was seen as a potential option, although there was an acceptance that the space was limited and may not be the best use. Delfinity also raised concerns about competition with existing enterprises including the Dufftown Glassworks.

Speyside Youth were very enthused by the prospect of the Clocktower as a meeting space for their older members.

A clear need for a central information point and destination for tourists was identified by Keith and Dufftown Railway. The Railway welcomes over 2000 passengers in the peak month of July who struggle to occupy themselves in Dufftown. A safe walking route into Dufftown via the Isla Way exists but is overgrown in places. Better signage, linking the existing attractions in Dufftown, such a playpark and the Clocktower, would be welcomed, with the potential to offer e-bikes between the Tower and the Railway – a distance of 1 mile via the main road and 1.5 miles via the footpath in season: currently Easter until the end of September. DDCA has bought electric bikes as part of an Active Travel project and will investigate providing these for hire at the Station to allow visitors easier and faster access to the centre of Dufftown.

Consultees were clear about the need to continue the existing provision in the Mortlach Memorial Hall and in the Community Centre. The space at the Clocktower should provide an outward-facing link for community organisations and enable a town centre "shop window" for local enterprises who are not already present in the centre, not seek to draw activities away from the existing community buildings.

Specific Project Ideas

There was strong support for community use and also for holiday accommodation. Although the initial options appraisal had highlighted use as a museum, the challenges of floor space, staffing and income generation were raised. Comments included 'too small and too many stories to tell'. It was also clear that a significant element of heritage education and information was already covered by the Whisky Heritage Centre which proposes to expand its exhibition space and has purchased the neighbouring building to do so.

Partnerships and Displacement

There is low displacement as there are no similar spaces in the town, where an organisation can effectively 'take over' a space for a period of time. There are a number of meeting spaces, but these are larger scale, such as the Memorial Hall and Community Centre. The British Legion and Shand Centre both have space for small meetings, as do some local hotels. DDCA do not intend to provide a café service; at most there will be provision for hot and cold drinks at the Clocktower, with anything more elaborate bought in from local suppliers.

The Whisky Heritage Centre was comfortable with the proposed uses. The Whisky Heritage Centre has a project to expand into the neighbouring premises and will be able to expand its general tourism information provision at that point. They noted that they typically had 600 visitors to the whisky festivals, and 5000 visitors to the exhibition in a season.

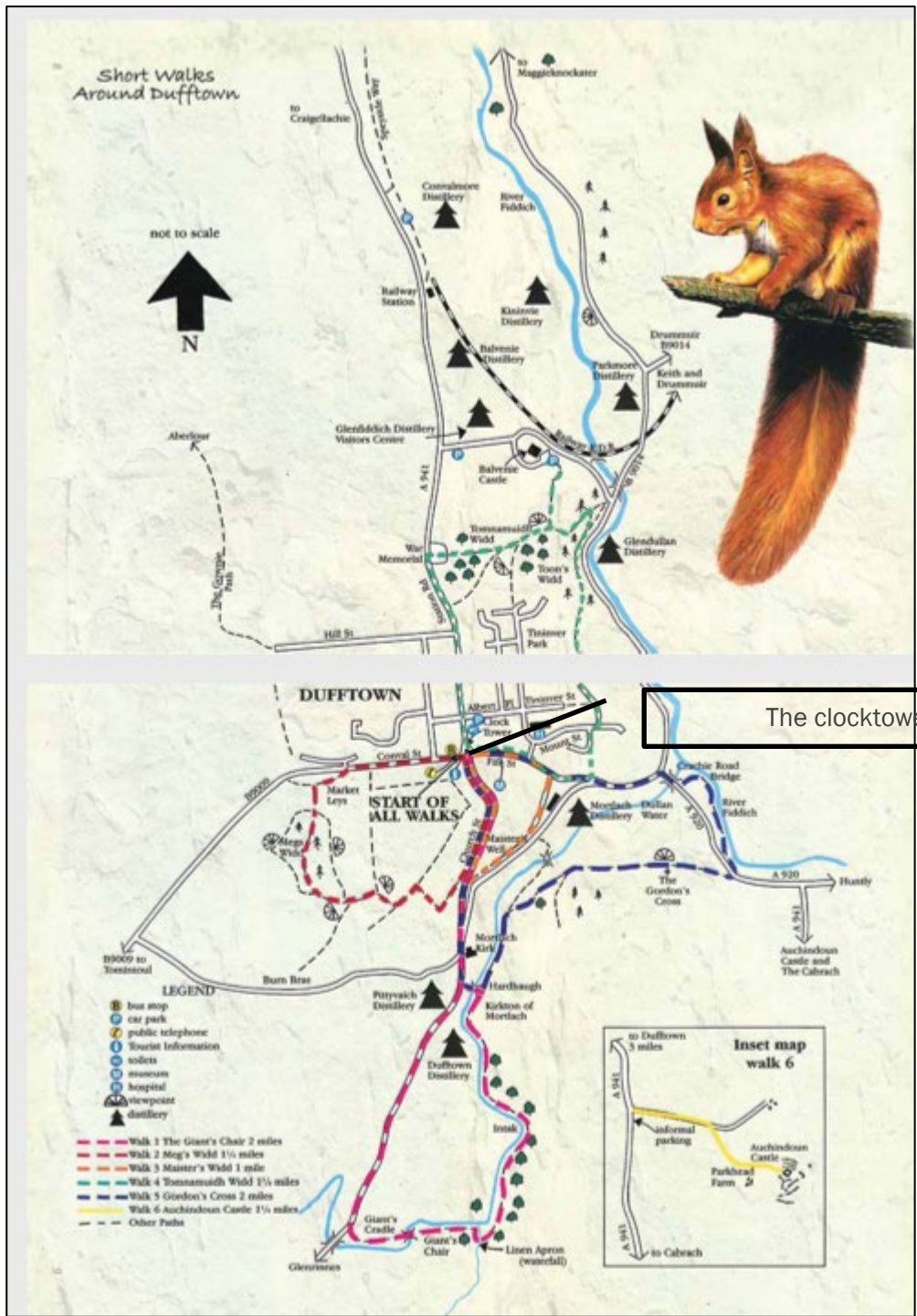
The building opposite the Clocktower is vacant and up for sale, as are a number of buildings in the town. Previous attempts to purchase a number of sites have fallen through, leaving the community in a somewhat distressed state.

There is a compelling reason to develop the Clocktower into an attraction that helps bring the Railway visitors, walking tourists and others into the centre of town and to retain the Whisky Museum visitors longer. This could substantially increase spend in the town centre enterprises, increasing their financial resilience and contributing to the reinvigoration of the town.

Walking tourism is increasingly popular, and Dufftown benefits both from being on the Isla Way and also having developed its own walking trails many of which start and end at the Clocktower (Figure iii). Further work underway or completed by the DMDT to improve paths and the visitor experience, and by the DDCA to improve active travel, would naturally link to increased activity at the Clocktower and again provide an impetus to visitors to linger in the centre of Dufftown.

There is a clear and distinctive offer for the holiday accommodation, which will be firmly targeted at the top end of the market.

Figure iii. "Around Dufftown" paths leaflet



3.4 Community meeting

DDCA, supported by Delfinity, held an open meeting on 31st August 2022, hosted by the Glassworks Dufftown. Over 30 individuals attended. The meeting was also recorded so that it could be more widely shared over the internet with the community.

Following an introduction by Viktoria Eriksson, DDCA's Development Officer, Delfinity shared the proposals for the Clocktower set out at Figure v, describing the architectural options for the building with the compliance and financial issues. Delfinity explained that the preferred option from this appraisal was for a flexible community space supported by income from a commercial focused holiday let.

This was generally well received, with questions and input focused on practical steps, funding etc to achieve this outcome. The wider vision of the Clocktower as a core location and meeting point for community and visitors was also discussed and was well supported.

Written comments were:

- Get primary / secondary schools involved; show ideas / posters; promotions and fundraising.
- Accommodation on the top three floors would make a good business; lowest floor as a visitor information / pop up show / gallery space is great as long as it doesn't reduce footfall for existing enterprises
- Downstairs museum / tourist information promoting all the usual places of interest, sales for the clock tower merchandise
- Local business providing products for promotional raffles
- Anything that restores and preserves the Tower is welcome. Accommodation is undoubtedly the best way to ensure income. My concern is that this then means access to the upper levels will then be for the select few only. Could people not pay to access tower / heritage
- Tourist information with retail sales of maps, postcards guidebooks etc. Re-house Post Office (2 mornings per week) from Memorial Hall
- Love the idea of making the downstairs adaptable so that it can easily be used for different purposes would be great. Bring some life back to the town centre.
- Downstairs – flexible – short to medium term exhibitions / retail/ community uses / information hub etc
- Ground floor: whisky museum, tourist information and gift shop; upper – corporate / private events, space to hire for parties / exhibitions etc

Attendees were asked to "sticky dot" where they felt the focus of the upper floors of the Clocktower would be; whether it was mostly accommodation, mainly tours, or something else; or whether they saw the uses as balanced between some combination. The results were that those who voted, voted 100% for accommodation. See Figure iv.

Figure iv. Community meeting support for holiday accommodation

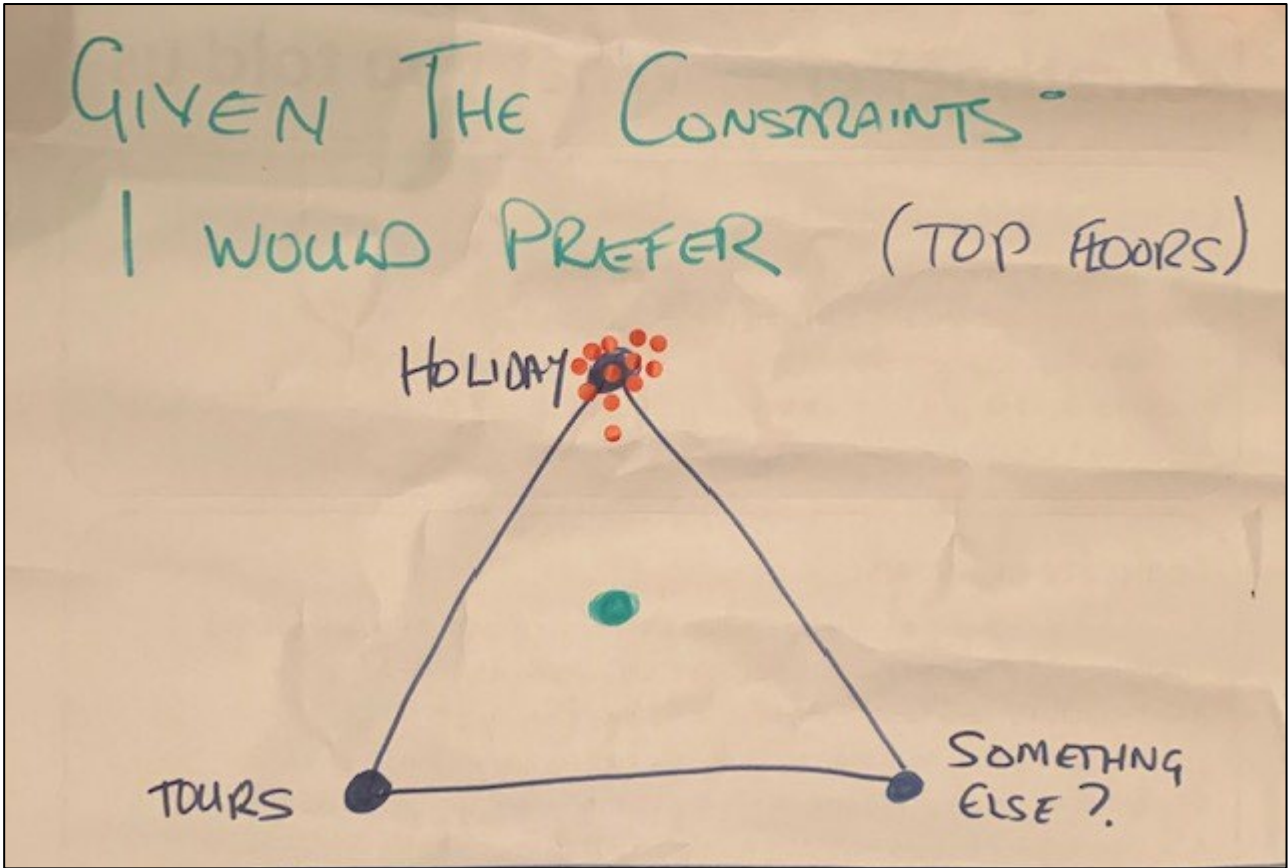
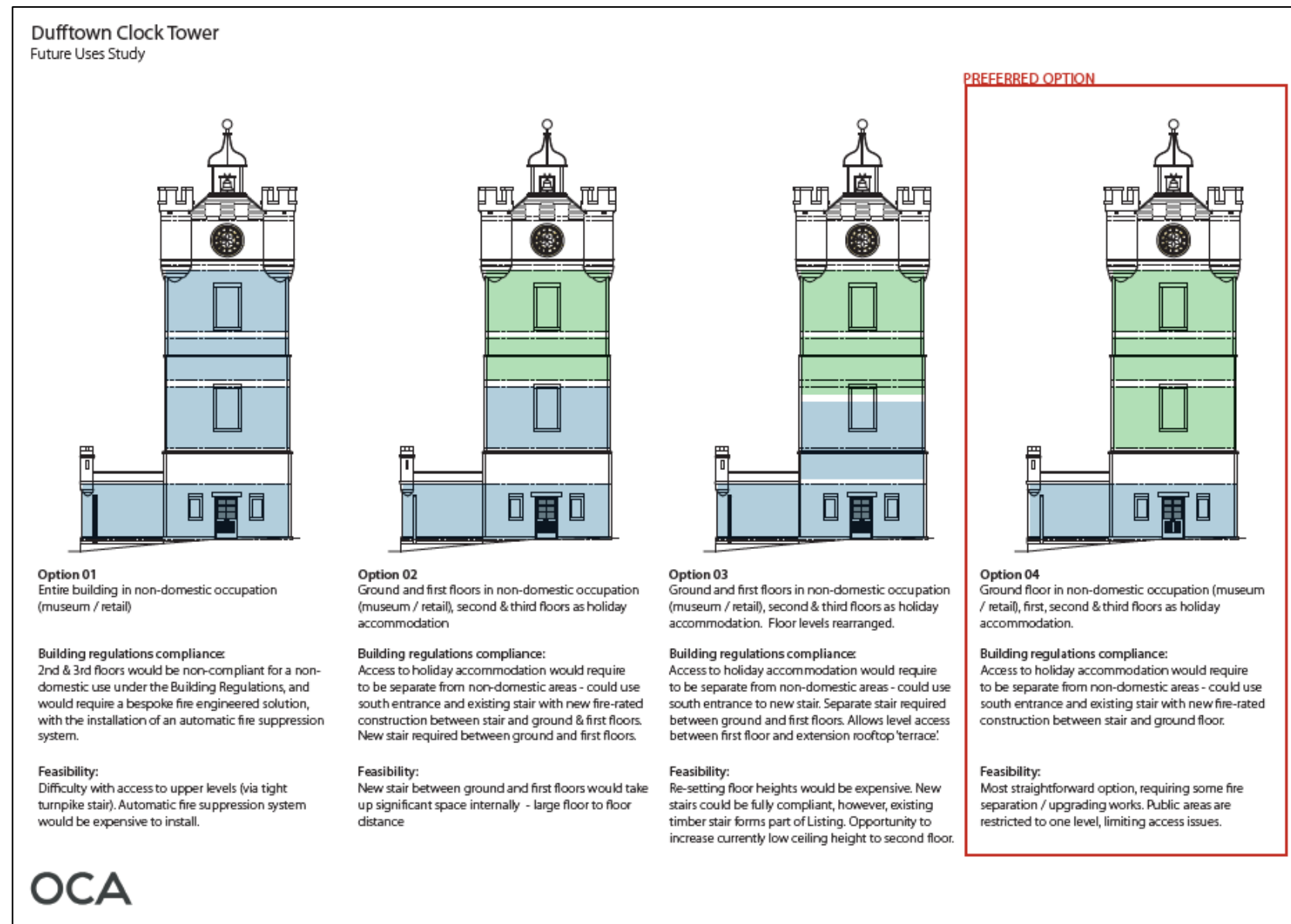


Figure v. Architectural Options Appraisal

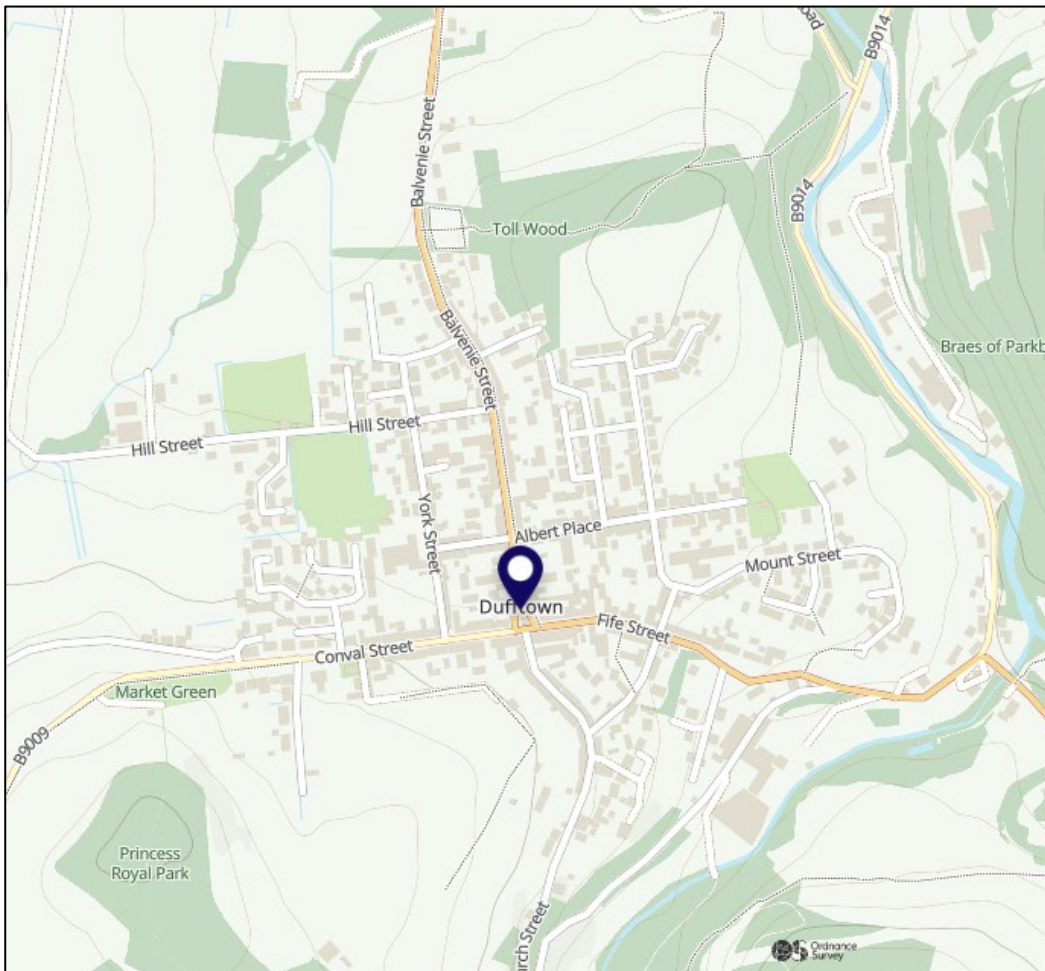


4 The Asset: Dufftown Clocktower

4.1 Current Asset

The map below shows the central location of the Tower.

Figure vi. The Clocktower in Context



Dufftown is an early-19th century planned settlement in Moray in the northeast of Scotland. It serves as a regional centre for agriculture, tourism and community services, and is well-known for its whisky-based economy which serves as a major tourism driver.

The town was originally laid out in a crucifix formation, with streets running broadly in the four cardinal directions, and the Clock Tower as the centrepiece at the junction of these. While the settlement has expanded to the north in the intervening years, the Clock Tower still sits at the junction of the two main roads through the town and is surrounded by a small public square.

The Clock Tower was constructed in 1836-39 as a jail, and later served as the Burgh chambers. It has also previously functioned as both retail space, and as accommodation. A later extension to the north facade is dated 1925. The tower most recently served as the local tourist information office but has been unoccupied for several years.

Plans setting out the accommodation available, and the elevations can be seen at Figure vii and Figure viii.

The ground floor houses a single WC and meters. The upper floors are accessed via a narrow spiral staircase. The first floor has a rudimentary sink and a fireplace/range, and floors 2 and 3 are empty. The fourth floor houses the clock mechanism, and is accessed via a fixed wooden stair. Access to the roof is via a ladder and through a window. There is minimal standing room on the fourth floor, due to the clock itself. The clock has been restored and is driven by a modern mechanism.

There is additionally a basement level under the 1920s extension. This formed public toilets, accessible externally to the Clocktower.

It was agreed that use of the basement is outside of the scope of this project. However, potential uses could include:

- Reinstatement of the toilets. However, a number of consultees cautioned against the cost of management and upkeep;
- Storage space for the Tower.

Figure vii. Current floor plans

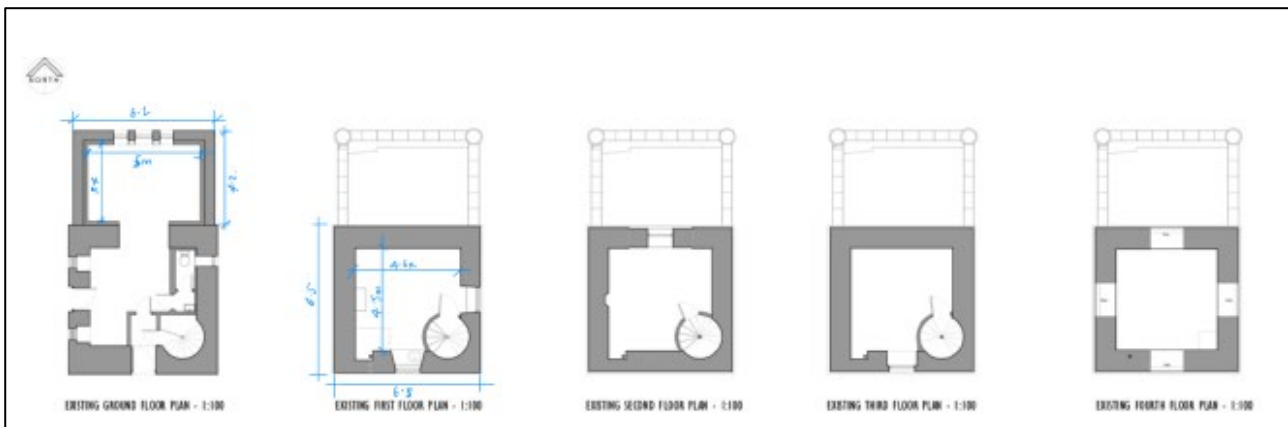
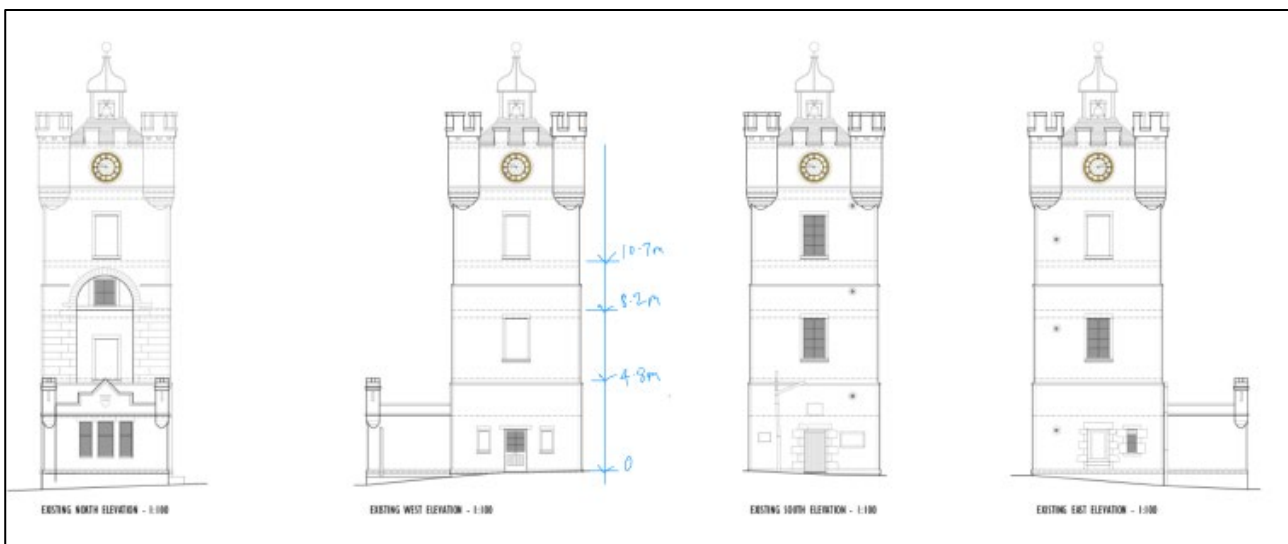


Figure viii. Current Elevations



Source: Angela Dow Architect, 2021 with annotated measures by Oliver Chapman Architects

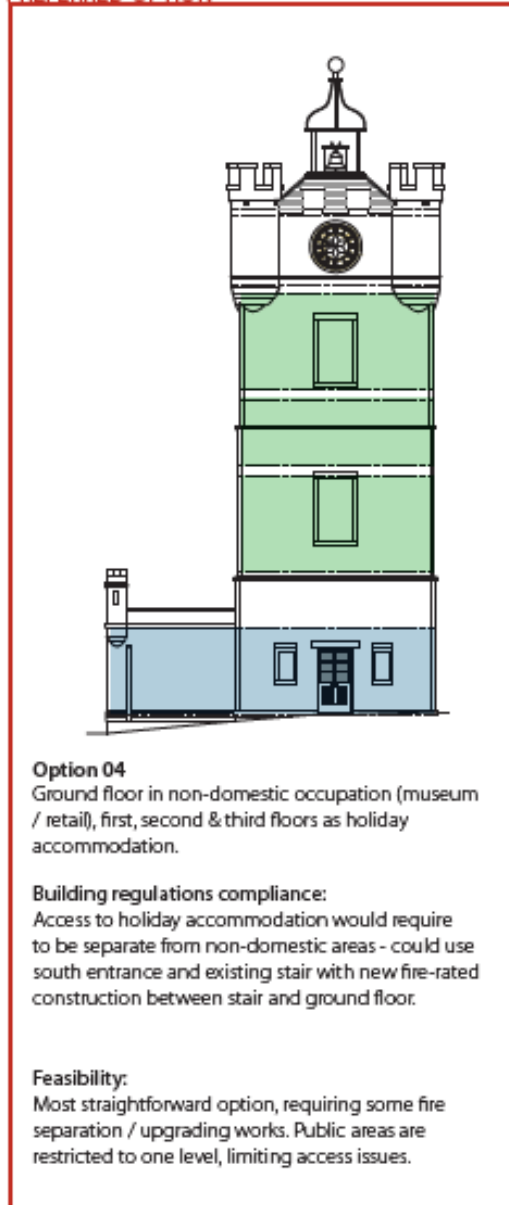
4.2 The Vision: Retaining the Clocktower as an iconic feature at the heart of the community.

The Vision for the building is create a flexible facility that both serves the local community and is a destination for visitors – for information and for unique accommodation.

The Plan is to repair and refurbish the Tower to further embed it as the heart of the community, providing a space to congregate and share, within enhanced public space.

Figure ix. Clocktower: preferred option

PREFERRED OPTION



Ground floor:

- A multi-functional space for community groups, pop-up events and activities, with Wi-Fi
- Visitor information display boards, incorporating QR codes/digital access and paper leaflet provision
- Unisex WC provision – a refurbishment of the existing provision

Floors 2-4: Self-catering apartment:

- Providing an income as a separate facility with independent access

External space

- No immediate significant change; this is owned by Moray Council and Dufftown in Bloom provide floral interest with tubs and baskets. This space is much used as an informal meeting point and chatting space by the community.

Basement

- Outwith the scope of this project, but options include storage for the Clocktower/DDCA or reinstatement of the public toilets.

The outline plans for the revitalised Clocktower are as below.

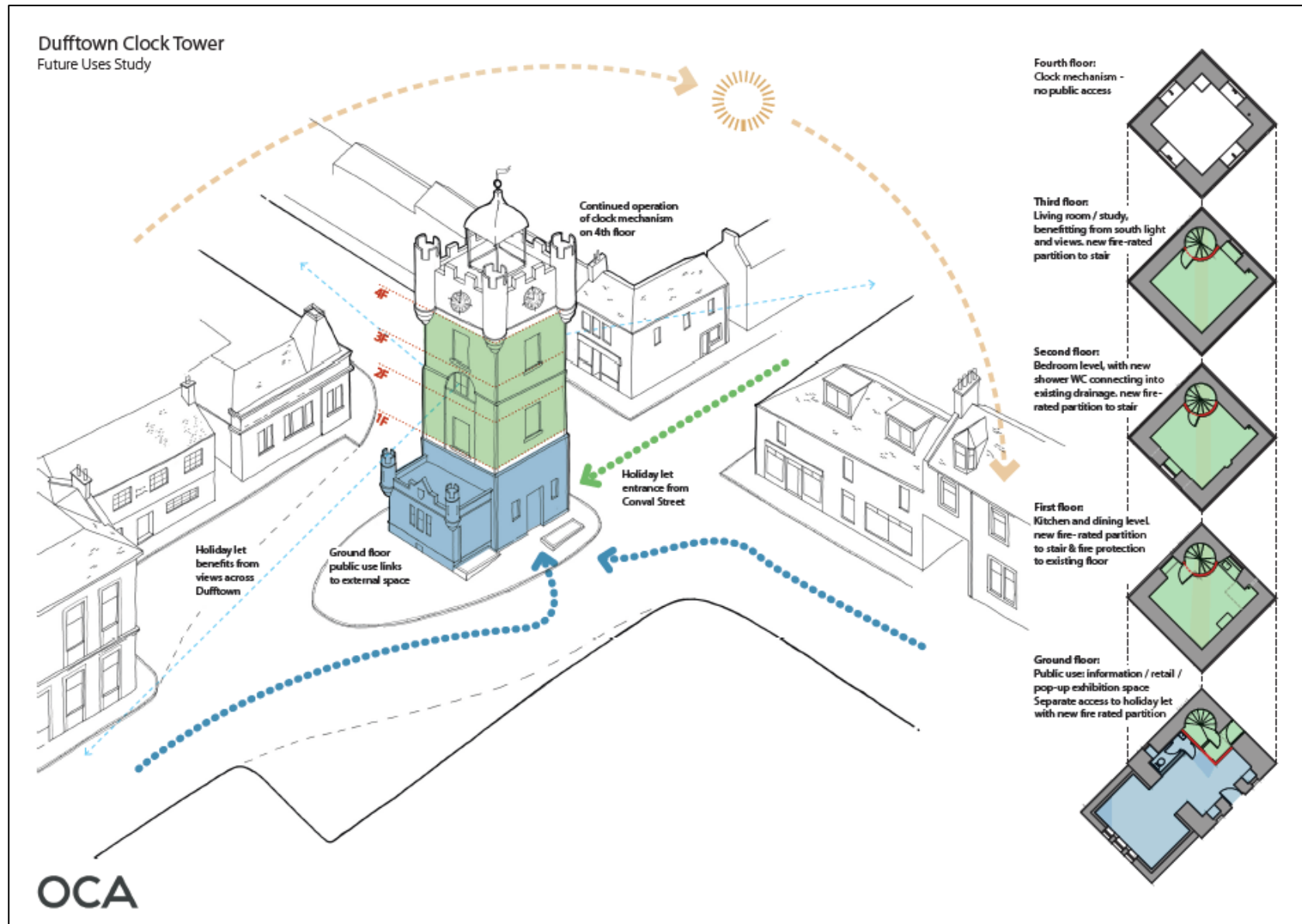
4.3 Phasing

The identified uses for the Clocktower require minimal structural amendments to the building but substantial repair and refurbishment is required to bring the building into use.

Further ambitions for the site which may be explored in the future are

1. to develop the public realm in which it is situated
2. to explore the status and use for the basement.

Figure x. Dufftown Uses: the context



5 How the asset will help us meet the need

5.1 Services and Initiatives for Local People

Flexible space

The space would be available to local community organisations. This could take the shape of:

- Exhibition re activities and outputs of the group
- Pop up charity shop to raise funds
- Craft/art exhibitions
- Event space for fundraising

It is also anticipated that there will be additional use by council, third sector and other organisations for surgeries, 1-1 meetings and community meetings.

The aim is that the income from the holiday lets would cover the costs of ongoing maintenance, although grants would be required for major repairs. The community space would therefore have to cover its own running costs only (heat, light, cleaning), allowing these community /local enterprise lets to be low cost.

5.2 Services and Initiatives for visitors

Self-catering accommodation

An attractive self-contained self-catering apartment will be developed to generate income into the area.

Floors 1-3 of the building will be used to deliver this.

The apartment will be let on a commercial basis throughout the year, with a focus on short breaks – information is that the week-long let is now becoming less attractive to visitors. Targeted at affluent individuals and couples, the Clocktower will provide a unique experience for visitors and will be priced accordingly.

The apartment will be managed in house by DDCA who will outsource cleaning and maintenance to local people. Visitors will pay and book on-line, through Airbnb and similar platforms and will access the apartment via independent keypad entry. A volunteer ‘on-call’ rota will be in place to cover any unexpected or emergency requirements from the guests.

Visitor Information

A permanent visitor display will be installed on the ground floor, manned by the local community groups who will take the space. Similar models work well in other communities; for example the small Visitor Information centre in Strontian, Arnamurchan also serves as an outlet for local crafters and artists. The artists staff the Centre on a voluntary rota basis, enabling it to be open during the holiday season.

This will be supplemented by information on external boards, sign-posting visitors to the range of local attractions. There is the potential to offer e-bike hire, in partnership with the Railway, facilitating active travel between the station and the town by visitors.

Volunteering

This project provides an opportunity to develop further volunteering both through the organisations that would be using the space and through the DDCA. There will also be volunteering options during the renovation and conversion of the Tower. Speyside Youth have already expressed interest to involve their young people and to take the opportunity to teach skills.

Benefits and Outcomes

The overarching objective for DDCA is to preserve and maintain the Clocktower at the heart of the town, and to fulfil a community need. This requires ongoing income and a clear use for the building.

The site will provide additional, flexible space for local organisations to showcase their activities, fundraise and hold events and meetings at an affordable price. This will be subsidised by income generated from commercially priced lets of both the ground floor space and the holiday apartment above.

6 Development Costs

Phase 1 Repair and Refurbishment

Repairs are needed to the building to make it safe and to ensure it is watertight. A detailed condition survey was carried out 2021. This totalled £106,018 (plus contingency fees and VAT) for fabric repairs and included restoring the ground floor to habitable use.

The more updated version provided by Thomson Gray QS for this brief proposes a total cost for urgent fabric repairs of £370,000 before VAT, as below. It may be that the project is not entirely subject to VAT; it is recommended to seek specialised professional advice to reduce the VAT burden.

Figure xi. Urgent and Essential Repair costs

	Urgent	Essential	Desirable	Total
Costs	195,600	93,745	3,250	292,595
Preliminaries 15%	29,340	14,062	488	43,890
Contingency 10%	23,060	10,194	263	33,515
Total before VAT	248,000	118,001	4,001	370,000
VAT at 20%	49,600	23,600	800	74,000
Total	297,600	141,601	4,801	444,000

The major differences between the initial estimates and the revised estimate relates primarily to the cost of repointing works. The proposal by Thomson Gray provides £171,000 of costs (before prelims, contingency and VAT); the 2021 survey suggested around £30,000 plus £17,500 for scaffolding. Given the differences in costs, it is strongly recommended that advice is sought from Heritage Environment Scotland as to the extent of the necessary re-pointing following an on-site visit.

For roof repairs, the 2021 report proposed to repair slipped slates and carry out other repairs of £8,000; the Thomson Gray report assumed to require full replacement of the tower roof at a cost of £18,000 . In the 2021 report, replacement of the flat roof is £3,500; this is allowed for as £8,000 in the Thomson Gray report.

For heating and lighting, this is given at £13,500 in the Thomson Gray report but only £1,600 in the 2021 report.

Ground floor Community use

In relatively recent history, the most recent established use for the ground floor was a Visitor Centre. It is therefore anticipated that there be no requirement for a Change of Use planning application for this element of the works.

Floors 1-3: Self-catering apartment

The building was used as a domestic residence until the 1960s. It may therefore be the case that a change of use planning application is not required for refurbishment of these floors into holiday accommodation. This should be confirmed with the local authority.

The Thomson Gray report costed the works proposed to complete the ground floor and to refurbish the upper floors to the fitout standard required for a community space (downstairs) and the self-contained flat on floors 1-3.

Key elements of the total cost of £285,000 (before contingency, prelims and VAT) are shown at **Error! Reference source not found..**

Figure xii. Alterations costs

	Cost	Prelims 15%	Contingency 10%	Total before VAT
Fire separations	23,404	3,511	2,691	29,606
Insulation	23,783	3,567	2,735	30,085
Timber wainscot lining	47,565	7,135	5,470	60,170
Other joinery work	27,971	4,196	3,217	35,383
Shower and WC	3,300	495	380	4,175
Domestic sprinkler system	28,800	4,320	3,312	36,432
Electrical and lighting	18,694	2,804	2,150	23,648
Heating and hot water (flat)	8,750	1,313	1,006	11,069
Mechanical ventilation	15,000	2,250	1,725	18,975
Fire and intruder alarms	7,700	1,155	886	9,741
Flooring and tiling	20,238	3,036	2,327	25,601
Total before VAT	225,205	33,781	25,899	284,884
VAT at 20%	45,041	6,756	5,180	56,977
Total	270,246	40,537	31,078	341,861

Certain elements of the costs shown such as the timber wainscot linings £47,565, may be a matter of choice and there may be alternative and cheaper options. The domestic sprinkler system £28,800 is presumed required but this should be discussed with the planning authority.

The next step for the project is to access funding which will allow further refinement of the build and adaption costs. As the design process progresses from this sketch stage (RIBA Stage 0) through the detailed design processes (see e.g. <https://www.rias.org.uk/for-the-public/why-use-a-chartered-architect/the-construction-process> for a description) the Planning requirements will become clearer, the specifications for the pointing and roofs more exact, and the choice of internal linings clarified.

In the meantime, it is appropriate for DDCA to set around £800,000 as a funding target based on the costs above. Construction inflation over the last three years has been fuelled by Brexit, supply constraints, the Covid-19 pandemic and continues to be driven by a shortage of skilled labour, although this may reduce in the incoming recession.

7 Funding Strategy

7.1 Funding Strategy

The following is an outline funding strategy. DDCA ...

The initial priority is to fund the remedial works.

Fund	Notes	Estimated figure									
National Lottery Heritage Funding	<p>A key potential funder for this B-listed building. While it is not “at risk”, the proposals for the building fit within the key priorities for NHLF:</p> <hr/> <div style="text-align: center; background-color: #005a8c; color: white; padding: 5px; margin-bottom: 10px;"> Priority outcomes </div> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr> <td style="width: 16.6%; padding: 5px;"> Inclusion (mandatory outcome) A wider range of people will be involved in heritage </td> <td style="width: 16.6%; padding: 5px;"> Economy The local economy will be boosted </td> <td style="width: 16.6%; padding: 5px;"> Wellbeing People will have greater wellbeing </td> <td style="width: 16.6%; padding: 5px;"> Local area The local area will be a better place to live, work or visit </td> <td style="width: 16.6%; padding: 5px;"> Skills People will have developed skills </td> <td style="width: 16.6%; padding: 5px;"> Organisational resilience The funded organisation will be more resilient </td> </tr> </table> <div style="background-color: #e0f2f1; padding: 5px; margin-bottom: 10px;"> Environmental sustainability: Consider what steps can your project take to increase positive environmental impacts and reduce negative environmental impacts </div> <div style="text-align: center; background-color: #4db6ac; color: white; padding: 5px; margin-bottom: 10px;"> Other outcomes </div> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr> <td style="width: 33%; padding: 5px; text-align: center;">Heritage will be in better condition</td> <td style="width: 33%; padding: 5px; text-align: center;">Heritage will be identified and better explained</td> <td style="width: 33%; padding: 5px; text-align: center;">People will have learnt about heritage, leading to change in ideas and actions</td> </tr> </table> <p>Strengthening the partnership aspects by gaining representations from groups, schools, and enterprises about how they would use the ground floor; together with financials showing how the income from lets permits these to be offered at a community rate, will help support applications.</p> <p>Seeking to use the Clocktower for providing training in restoration and other skills for local people will also help strengthen the application.</p> <p>Provides funding for project management and organisational capability through the project period.</p>	Inclusion (mandatory outcome) A wider range of people will be involved in heritage	Economy The local economy will be boosted	Wellbeing People will have greater wellbeing	Local area The local area will be a better place to live, work or visit	Skills People will have developed skills	Organisational resilience The funded organisation will be more resilient	Heritage will be in better condition	Heritage will be identified and better explained	People will have learnt about heritage, leading to change in ideas and actions	
Inclusion (mandatory outcome) A wider range of people will be involved in heritage	Economy The local economy will be boosted	Wellbeing People will have greater wellbeing	Local area The local area will be a better place to live, work or visit	Skills People will have developed skills	Organisational resilience The funded organisation will be more resilient						
Heritage will be in better condition	Heritage will be identified and better explained	People will have learnt about heritage, leading to change in ideas and actions									
Architectural Heritage Fund	<p>Can provide Project Viability Grants which fund studies which support viability (business planning) for a building, - around £6,000. Project Development grants of around £15,000 can then follow to help organisations to develop the project to the start of work on site.</p> <p>The AHF also offers access to the William Grant Foundation Tailored Support Fund which provides around £7,500 of funding for costs including:</p> <ul style="list-style-type: none"> • to prevent deterioration whilst developing longer term plans for a building; and • assisting in building the capacity of a community to deliver a project. 										

National Lottery Community Led funding	<p>Largely a revenue bid but this would be an ideal complement to this project with funding for staff and early project costs.</p> <p>Focus on helping local communities to address specific inequalities in a define place.</p> <p>Can fund up to 1/3 of capital costs. Will not be available if an application is successful to the NLHF.</p>	
Regeneration Capital Grants scheme	<p>Average grant of £1m with a focus on regeneration, jobs and well-being. This may be a possible fund. Moray Council would be the applicant and would need to be highly supportive of the project. Next launch date will be June 2021. This will be too soon so the next round will be in June 2022.</p> <p>Might be viewed as low priority as there is less of a focus on economic development.</p>	
Garfield Weston	<p>Will cover capital costs usually up to 10% of project cost through regular grants programme but grants are typically under £30,000.</p> <p>Need match funding for about half of total project cost.</p> <p>Tenure and planning permission (if relevant) must be confirmed at time of application.</p> <p>Reviewed on an ongoing basis but decision takes up to four months.</p>	
Wolfson	<p>Main programme funds £20,000 – £75,000 - capital only, no VAT, delivery fees or technical fees.</p> <p>Preferred approach is to see full project budget highlighting amount still to be raised at stage 1. Grant amount should be identified and match funding must be secure (committed or received) for stage 2.</p>	
Robertson Trust	<p>New programme supports multi-purpose community spaces with three levels depending on cost or renovation.</p>	
Clothworkers Foundation	<p>Main grants funding for capital costs (including purchase of fixtures and equipment as well as building purchase or renovation) – usually over £10,000.</p> <p>Must demonstrate that at least 50% of service users are within one or more target groups (these include groups of people suffering from alcohol/substance misuse, disadvantaged minorities, older people).</p> <p>Ongoing application process, decision within 8 weeks (<£10,000) or 6 months (>£10,000).</p>	

8 Income Generation and Financial Viability

8.1 Room letting income

Key income generators will come from the following areas which are set out in detail in the cash flow projections in Section 10 Appendix 1 ;

- Room lets for local groups – at low cost. This income stream is from community groups accessing the building for meetings, events, clubs. The Development Officer will also encourage additional groups and meetings, to help address isolation and increase community activity. Income is initially assumed at a very conservative £30 per week, rising to
- Room lets for commercial businesses – at market rate, reflecting unique location and building. We have assumed 20 lets per year at £70, rising to 30 lets per year from the second year.

This gives a total income per year at a very conservative £2,960 to cover heating, and cleaning costs.

8.2 Self-catering accommodation bookings

Flat letting income depends on occupancy rates and on the cost per week of the let. Income has been benchmarked against similar properties that have a unique element. NB. The rental figures are the cheapest per night, based on a 2 or 3 night stay. There is typically a £15-£20 per night premium for Friday/Saturday nights and half term.

Comparable facilities across the UK include:

Nisbets Tower, Eyemouth

<https://www.booking.com/hotel/gb/nisbet-39-s-tower.en-gb.html>



A renovated 18th-century doo'cot.

1 bedroom, 1 bathroom and a patio with river views. Min 2 night stay

The Category B-listed Nisbet's Tower in Eyemouth has been converted to form unique holiday accommodation.

Hay Cheese Market, Hay on Wye

<https://haycheesemarket.org/>

Originally Hay's manorial courtroom, above the restored market hall in the centre of the town, which was built c1835 as Hay's town hall. Managed by the Hay-on-Wye Community Enterprise CIC. The CIC uses the money generated by the Cheese Market apartment and market hall to support local community projects. The CIC currently runs an annual profit of around £5,000, some of which is put aside for ongoing maintenance of the Cheese Market building, with the surplus used for local grants.

1 bedroom, 1 bathroom with views over Hay.

Fairburn Tower, Ross-shire

<https://www.landmarktrust.org.uk/search-and-book/properties/fairburn-tower-58697/#Overview>

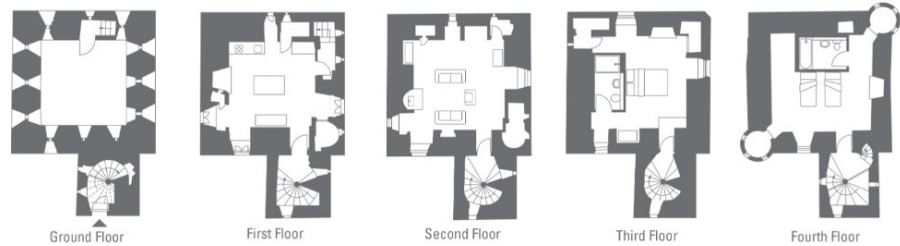


1545 Tower house over 5 floors, half an hour's drive north-west of Inverness, set in countryside.

2 bedrooms, 2 bathrooms with countryside views.

Almost fully booked until July 2024

Floor Plan



Abbey Gatehouse, Tewkesbury, Gloucestershire



<https://www.landmarktrust.org.uk/search-and-book/properties/abbey-gatehouse-4453/#Overview>

Circa 1500 1 room gatehouse

1 mezzanine bedroom above open plan living. 1 bathroom

Appleton Watertower, Sandringham, Norfolk

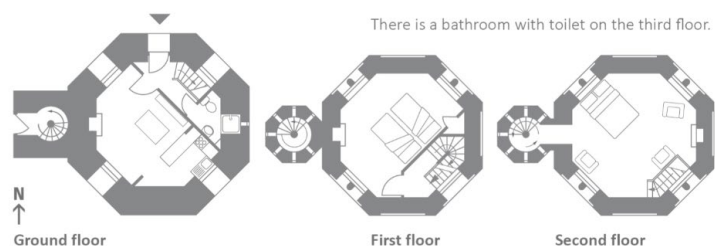


<https://www.landmarktrust.org.uk/search-and-book/properties/appleton-water-tower-4670/#Overview>

Victorian water tower on the edge of the Sandringham Estate. Over 4 floors.

2 bedrooms, 2 bathrooms, with treetop views

Floor Plan



Courtyard Cottage, Drumoak, Peterculter



<https://www.sykescottages.co.uk/cottage/Aberdeenshire-Angus-Drum-Castle/Courtyard-Cottage-1060438.html>

1 bed, 1 bath, open plan living.

A summary of the **forward** bookings at, prices and booked income for these locations can be seen below, taken from their websites availability and pricing as at mid-October 2022.

Figure xiii. Forward occupancy rates and prices for comparable offerings

	1bed			1 bed			1 bed		
	Nisbets Tower (direct booking)			Cheese Market			Abbey Gatehouse (4 night)		
Month	£/night	Occupancy	Income	£/night	Occupancy	Income	£/4 night	Occupancy	Income
October	£ 158	100%	£ 4,898	£ 89	100%	£ 2,759	£ 150	100%	£ 4,650
November	£ 158	53%	£ 2,528	£ 89	93%	£ 2,492	£ 150	100%	£ 4,500
December	£ 158	45%	£ 2,212	£ 89	77%	£ 2,136	£ 150	100%	£ 4,650
January	£ 158	3%	£ 158	£ 93	10%	£ 279	£ 150	100%	£ 4,650
February	£ 158	25%	£ 1,106	£ 101	25%	£ 707	£ 132	61%	£ 2,244
March	£ 158	6%	£ 316	£ 106	6%	£ 212	£ 222	58%	£ 3,996
April	£ 180	43%	£ 2,340	£ 111	40%	£ 1,332	£ 157	0%	£ -
May	£ 180	71%	£ 3,960	£ 111	48%	£ 1,665	£ 170	26%	£ 1,360
June	£ 180	63%	£ 3,420	£ 111	43%	£ 1,443	£ 173	13%	£ 692
July	£ 180	45%	£ 2,520	£ 111	45%	£ 1,554	£ 190	35%	£ 2,090
August	£ 180	58%	£ 3,240	£ 140	58%	£ 2,520	£ 190	0%	£ -
September	£ 180	40%	£ 2,160	£ 111	0%	£ -	£ 190	13%	£ 760
October	£ 158	29%	£ 1,422	£ 111	0%	£ -	£ 180	0%	£ -

	1 bed			2 bed			2 bed		
	Courtyard Cottage (2 night) via Sykes			Fairburn Tower (3 night stay)			Appleton Watertower (3/4 night)		
Month	£/2 night	Occupancy	Income	£/3 night	Occupancy	Income	£/ 3.5 night	Occupancy	Income
October	£ 300	100%	£ 9,300	£ 400	100%	£ 12,400	£ 300	100%	£ 9,300
November	£ 300	100%	£ 9,000	£ 400	100%	£ 12,000	£ 300	90%	£ 8,100
December	£ 203	74%	£ 4,669	£ 400	100%	£ 12,400	£ 174	77%	£ 4,176
January	£ 172	23%	£ 1,204	£ 400	100%	£ 12,400	£ 155	61%	£ 2,945
February	£ 172	0%	£ -	£ 400	100%	£ 11,200	£ 211	32%	£ 1,899
March	£ 187	0%	£ -	£ 400	100%	£ 12,400	£ 350	61%	£ 6,650
April	£ 260	37%	£ 2,860	£ 400	100%	£ 12,000	£ 237	67%	£ 4,740
May	£ 263	23%	£ 1,841	£ 400	100%	£ 12,400	£ 261	58%	£ 4,698
June	£ 290	70%	£ 6,090	£ 400	100%	£ 12,000	£ 266	30%	£ 2,394
July	£ 313	0%	£ -	£ 514	90%	£ 14,392	£ 269	45%	£ 3,766
August	£ 475	0%	£ -	£ 514	77%	£ 12,336	£ 350	35%	£ 3,850
September	£ 430	23%	£ 3,010	£ 313	93%	£ 8,764	£ 249	10%	£ 747
October	£ 238	0%	£ -	£ 313	87%	£ 8,451	£ 238	0%	£ -

Demand for such distinctive properties is higher than general occupancy rates for self-catering in Scotland as below, drawn from Visit Scotland's data:

Self catering property occupancy was around 50% before the Covid pandemic, and is recovering.

Figure xiv. Visit Scotland Self-catering occupancy rates

Self-catering Occupancy Rate (Scotland Wide) per year		Aberdeen and Grampian Occupancy Rate
2021	28%	33%
2020	21%	29%
2019	48%	45%
2018	55%	54%
2017	53%	51%
2016	48%	51%
2015	48%	47%
2014	46%	48%
2013	44%	43%
2012	44%	44%
2011	43%	39%

Higher quality accommodation is also most popular, as shown by the statistics below, with Scottish self-catering occupancy rates highest for 5star and high price accommodation across 2019 as a whole and for the month of December:

Unit Occupancy by Tariff – December 2020/2019

Weekly Tariff	Dec 20	Dec 19	20/19 Diff	Change	YTD 20	YTD 19	20/19 Diff	Change
Unknown	9.28%	7.55%	1.73%	102	5.19%	11.46%	-6.27%	94
Under £299	0.00%	14.79%	-14.79%	85	12.16%	30.91%	-18.75%	81
£300 - £499	3.06%	15.97%	-12.91%	87	16.61%	38.52%	-21.91%	78
£500 - £799	4.54%	28.88%	-24.34%	76	19.86%	47.36%	-27.50%	73
£800 or more	5.04%	51.57%	-46.53%	53	27.36%	58.36%	-31.00%	69

Unit Occupancy by Grading – December 2020/2019

Grading	Dec 20	Dec 19	20/19 Diff	Change	YTD 20	YTD 19	20/19 Diff	Change
1 Stars	0.00%	12.98%	-12.98%	87	8.44%	38.71%	-30.27%	70
2 Stars	0.84%	7.19%	-6.35%	94	12.89%	26.64%	-13.75%	86
3 Stars	2.08%	29.58%	-27.50%	73	20.81%	46.19%	-25.38%	75
4 Stars	3.25%	30.30%	-27.05%	73	20.46%	49.84%	-29.38%	71
5 Stars	5.29%	48.42%	-43.13%	57	29.68%	54.75%	-25.07%	75
Unclassified	4.53%	35.38%	-30.85%	69	18.08%	46.66%	-28.58%	71

Sources:

<https://app.powerbi.com/view?r=eyJrIjoiazjViMTVmNDQtYzdmZi00NTU3LWJiNDYtNWNjZDFiYzg1ZjA5liwidC16ljkOMDdhNzhiLWI1ZTYtNGRiMC04YzJlLdINDZjMTdlYmQ1YSIsimMiOjh9&pageName=ReportSection>

https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/research-papers-2/accommodation-occupancy-reports/saos_self-catering_december-2020.pdf

Assumptions for Forecast Income

An average income of £150 per night based on 3 -night stays, with an occupancy of 60% is a conservative assumption for income, leading to an annual income before costs of £34,000.

Occupancy rates will vary with the season: the following monthly occupancy rates are assumed:

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
25%	25%	50%	60%	70%	80%	100%	100%	75%	50%	30%	50%

8.3 Income summary 2024-2027

It is assumed that the building will be ready for letting income by June 2024; allowing over a year for funding packages, detailed design, planning permission, tendering, and the build.

Figure xv. Summary of income 2023-2026

Flat income shown gross, then net of 25% cleaning costs, 10% laundry costs and 8% Airbnb or similar fees.

		2024 (part)	2025	2026	2027
Flat letting income - occupancy	60%	21,945	34,218	34,903	35,601
Cleaning and consumables		5,696	5,486	8,555	8,726
Laundry		2,279	2,195	3,422	3,490
Fees		1,709	1,646	2,566	2,618
Flat letting income after direct costs		13,101	12,618	19,676	20,069
Room rental income		2,160	5,650	5,907	5,940
Total charity income		14,778	25,326	25,976	26,410

8.4 Overhead Costs and Surpluses

Overhead costs are based on experience elsewhere.

DDCA will have to bear the heat, light etc costs of the holiday accommodation as well as the ground floor space. Low energy lighting and heating will be installed. This requires further consideration and specification to provide detailed estimates. An allowance based on floor area is provided below.

	2024	2025	2026	2027
Heat and Light	1,507	2,600	3,000	3,200
Insurance	1,200	1,836	1,873	1,910
Marketing and Advertising (web)	200	306	312	318
Office expenses (PPS)	160	245	250	255
Internet and communications (connections)	160	245	250	255
Bank fees	40	61	62	64
Repairs and renewals (10% net turnover)	1,478	2,533	2,598	2,641
Waste removal £50 pcm	400	612	624	637
Cleaning costs (community area) 2 hours per week £15 per hour	1,020	1,591	1,591	1,591
Total overheads	6,165	10,029	10,560	10,871
Total profits	8,614	15,297	15,416	15,540

Total profits can be applied to maintain the fabric of the building, to invest in the letting business, and to support community enterprises.

9 Risk and Risk Mitigation

Risk	Impact	Probability	Existing Controls	Action Required	Lead Responsibility
Inability to raise funds for capital renovation.	Medium	Medium	Funds identified in feasibility study and initial contact made	Full funding strategy.	Board, Development Officer.
Commercial accommodation demand lower than expected.	High	Low to medium		<p>Maximise opportunity from post covid home travel.</p> <p>Decorate and furnish to a high standard, environmentally sound and present professionally on key platforms</p> <p>Market regionally and nationally re unique accommodation and social benefit</p> <p>Strong partnership with other suppliers and attractions</p>	Development Manager/Board
Low levels of demand from local organisations	High	Low	<p>Continued engagement and dialogue</p> <p>Reasonable pricing and flexibility of use</p>	Development Manager well embedded in the community	Development Manager.
Insufficient reserves to manage cash flow	High	Low	Avoiding loan servicing by securing 100% capital grants or fundraising	Build reserves	Board

10 Appendix 1 : Profit and loss 2024 – 2025

	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Flat letting income	-	3,360	5,250	4,200	3,150	2,625	1,260	2,100
Cleaning and consumables	-	840	1,313	1,050	788	656	315	525
Laundry	-	336	525	420	315	263	126	210
Fees	-	252	394	315	236	197	95	158
Flat letting income (net)	-	1,932	3,019	2,415	1,811	1,509	725	1,208
Room rental income	-	330	500	400	260	150	120	400
Total income	-	2,262	3,519	2,815	2,071	1,659	845	1,608
Overheads:								
Heat and Light	167	167	167	167	167	167	223	279
Insurance	150	150	150	150	150	150	150	150
Marketing and Advertising	25	25	25	25	25	25	25	25
Office expenses (PPS)	20	20	20	20	20	20	20	20
Internet and communications	20	20	20	20	20	20	20	20
Bank fees	5	5	5	5	5	5	5	5
Repairs and renewals	-	226	352	282	207	166	84	161
Waste removal	50	50	50	50	50	50	50	50
Cleaning costs - community	120	120	150	120	120	150	120	120
Total overheads	557	784	939	839	765	753	698	830
Total profits	(557)	1,478	2,579	1,976	1,307	906	147	778

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Flat letting income	1,339	2,142	2,142	3,213	2,999	3,427	5,355	4,284	3,213	2,678	1,285	2,142
Cleaning and consumables	335	536	536	803	750	857	1,339	1,071	803	669	321	536
Laundry	134	214	214	321	300	343	536	428	321	268	129	214
Fees	100	161	161	241	225	257	402	321	241	201	96	161
Flat letting income (net)	770	1,232	1,232	1,847	1,724	1,971	3,079	2,463	1,847	1,540	739	1,232
Room rental income	450	360	90	90	520	600	850	680	520	450	360	680
Total income	1,220	1,592	1,322	1,937	2,244	2,571	3,929	3,143	2,367	1,990	1,099	1,912
Overheads:												
Heat and Light	302	242	242	181	181	181	181	181	181	181	242	302
Insurance	153	153	153	153	153	153	153	153	153	153	153	153
Marketing and Advertising	26	26	26	26	26	26	26	26	26	26	26	26
Office expenses (PPS)	20	20	20	20	20	20	20	20	20	20	20	20
Internet and communications	20	20	20	20	20	20	20	20	20	20	20	20
Bank fees	5	5	5	5	5	5	5	5	5	5	5	5
Repairs and renewals	122	159	132	194	224	257	393	314	237	199	110	191
Waste removal	51	51	51	51	51	51	51	51	51	51	51	51
Cleaning costs - community	153	122	122	153	122	122	153	122	122	153	122	122
Total overheads	853	799	772	804	804	836	1,003	894	816	809	750	891
Total profits	367	793	550	1,134	1,441	1,734	2,926	2,250	1,552	1,181	349	1,020