Ionad Hiort
St Kilda Centre

Project Review

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Introduction

1 The review
The purpose of the review is to provide a clear pathway to the creation of a business case and prospectus for the development of the St Kilda Centre in Uig.

The challenge is to combine a wide menu of ideas and aspirations into a deliverable and sustainable vision and operating model. The next step will be to carry out more detailed work to establish future demand, routes to investment and a business case.

The method combined a review of the 2010 feasibility report, a site visit and discussion with the Project Group on the 22nd August 2013 followed by desk research and telephone consultation.

The starting point is the work to date, including the St Kilda outline strategic brief and the work of the Contents Sub-Group. The former describes a vision, set of aims and development process. The latter presents a picture of the potential contents of the proposed Centre.

2 The questions
There are three questions that underpin the review process:
› what does the project group want to achieve;
› what will potential visitors want;
› what does the project look like?

3 Discussion
The centre will be a celebration of St Kilda and of island life. The project group are unanimous in aspiring to a project that fully articulates the unique qualities of St Kilda as a World Heritage Site which combines natural, marine and cultural heritage status. A new type of visitor will need to be attracted to the centre, people interested in World Heritage sites and cultural tourism. A sustainable business model will need to incorporate a range of functions, contributing to the priorities of a number of potential stakeholders.
The discussion concluded that a range of further, more detailed work was required to inform the design specifications and future operating model for the centre. The centre will need to be a catalyst for developments in the wider area, with activities that extend beyond the footprint of the proposed building.

The physical site is awe inspiring and the design brief will need to encapsulates both the need for practical sustainability and a visitor experience that optimises the physical characteristics of the area. The virtual St Kilda element of the project is considered to be of central importance to the future of the project. The aspiration is for the centre to a world leader in the field of Remote Access Technology.

4 The outcomes
Outcomes may arise both directly and indirectly from the project, and should look to address:
› a need to expand the visitor economy of the area in terms of both numbers and profile of visitors;
› growth of the local economy and employment opportunities;
› opportunities for young people in the area;
› the creation of a destination with global significance.

5 The scope and reach of the scheme
The discussion considered three basic options concerning the scope of the scheme:
› an immersive interpretation centre for visitors to the area;
› as above but with added functionality to benefit the local community and economy;
› a centre that can draw people to the Outer Hebrides.

The reach and operation of the scheme is both local and global. Factors that need to be addressed include:
› international identity and activity as a world heritage site;
› national significance and function as a centre for natural, marine and cultural heritage;
› the potential to work with other cultural and heritage organisations in the Western Isles;
› the potential to work with other local organisations, including An Lanntair and Lews Castle.
The initial feasibility work flagged up the potential for a ‘hub and spoke’ approach to the development, the question concerns the scope of the ‘hub’ and the reach of the ‘spokes’. A simple creative and cultural plan for the Outer Hebrides (which is a more detailed extrapolation of the existing Creative and Cultural Industries Strategy) is required to inform future development. This should map out facilities and the annual diary of activities as well as indicating areas for collaborative development with venues like Lews Castle and An Lanntair. A new tourism development plan for the Western Isles is under development involving the Outer Hebrides Tourism Industry Association.

6 The functions
There are a wide range of potential functions for the centre. These include:

› an interpretation centre for St Kilda;
› a centre for remote living (living in remote areas);
› a location that embodies the natural and cultural experience of St Kilda;
› a centre for arts and creativity;
› a centre for creative residency or writers retreat;
› housing national collections;
› outdoor pursuits, such as climbing, walking and water sports (in collaboration with Bhaltos Outdoor Centre which will become operational in 2014);
› a satellite venue for An Lanntair and other venues in the Outer Hebrides;
› a centre for education and research (potential research interests include: science, marine science, ornithology, astronomy, archaeology);
› a recreation of the St Kilda settlement;
› an information centre for sustainable living and renewable energy;
› seasonal installations of a scale to attract visitors.

The discussion concluded that a holistic approach was required based on 3 key functions:

<table>
<thead>
<tr>
<th>The Visitor Centre</th>
<th>The Cultural Destination</th>
<th>The World Heritage Site</th>
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</thead>
<tbody>
<tr>
<td>A direct physical link to St Kilda from the area, and direct line of sight</td>
<td>A centre for island life (eg. North Atlantic Islands)</td>
<td>Virtual St Kilda</td>
</tr>
<tr>
<td>Collections &amp; artefacts</td>
<td>A satellite cultural venue</td>
<td>A research centre</td>
</tr>
<tr>
<td>Interpretation</td>
<td>Residencies with artists and creatives</td>
<td>Activities to celebrate all 3 WHS statii (marine, natural, cultural)</td>
</tr>
<tr>
<td>An activity programme</td>
<td>Seasonal programmes</td>
<td>Participatory science (astronomy, marine life, geology etc.)</td>
</tr>
<tr>
<td>Learning programmes</td>
<td>A biennale international event</td>
<td>International connectivity and collaboration</td>
</tr>
</tbody>
</table>
There was interest in developing a seasonal offer of sufficient quality and scale to attract visitors. Potential concepts include: a cultural biennale that uses the landscape and natural environment; recreations of island life from different times and cultures; temporary structures that illustrate developments in island living and architecture.

7 The location
The location will influence the future design and operation of the centre in a number of ways:
- the unique position of the centre in the UK as celebrating and interpreting a site with natural, marine and cultural World Heritage Site status;
- the remoteness of the site and issues of seasonality;
- the physical and virtual connection with St Kilda;
- other local developments, including the Hebridean Trail, dark sky park potential, business and industry such as renewable energy and the local distillery, culture and hospitality developments such as Lews Castle;
- the potential for activity that will stimulate economic activity and jobs.

8 The project approach
The approach to the development of the project is likely to include:
- further demand studies to gauge the likely visitor market;
- further consultation and research to ensure the functionality;
- an evaluation of the benefits and disadvantages of holding an architectural competition;
- fundraising research and consultation with key funders, prior to investment strategy;
- a study of the potential for retail and hospitality development;
- the feasibility of establishing an education and research centre on the site;
- the potential to operate as a cultural centre, including consultation with the National Galleries of Scotland concerning their landscape collection, and Edinburgh’s UNESCO World Heritage Site.

The discussion identified a range of funding organisations for consultation, including; HLF, Big Lottery, VisitScotland, Creative Scotland, European biddable funds, ERDF, and NESTA. The fundraising research would need to consider the prospects on an international level. It is difficult to identify ‘like for like’ comparators.
A number of sites were discussed that could provide learning points for the development of the centre, including:
- Dove Cottage in the Lake District of England, for combining natural and cultural heritage;
- the Serpentine Pavilion in London’s Hyde Park, for using seasonal temporary installations;
- the Culloden Centre of the National Trust, for innovation;
- the Sea Bird Centre in North Berwick, for providing remote virtual links to the Bass Rock;
- Liverpool Museums for combining active research with collections, and evocative heritage;
- Bonhoga Craft Gallery in Shetland, for creating a popular visitor destination in a remote location;
- Cliffs of Moher Visitor Centre in Ireland for similarities of location and offer;
- The Blasket Centre in Ireland, which tells the story of island life.

9 Immediate questions
The action plan section of this report lays out a working method to achieve a business case and a brief for architectural feasibility. This includes a description of the role of the Project Group. There are four questions that require immediate attention:
› should the brief for the preparation of the business case also provide for some project co-ordination and support over the next 6 months?
› is the Project Group in a position to complete work identified in the St Kilda Outline Strategic Brief and this report, including: press and media coverage; advocacy and lobbying; further community engagement; development of governance and constitution; further development of UNESCO partnerships; site acquisition and survey; development of brand, logo and letterheads; servicing social media; appointing a sub-group to lead on the architectural feasibility process once the brief is agreed;
› are there routes to funding to proceed with the business case development. Based on the method in this report costs are likely to be in the region of £20,000 for 38 days of consultancy including expenses. Costs of project support over a six month period could be £5,000 for 12 days including expenses;
› alignment with the ongoing strategic tourism work is important, both through contact with the consultancy undertaking the work, and with the commissioning organisations. How is this best achieved and how will it be commissioned?
Background

The St Kilda Centre Project Group have already worked on the a strategic brief for the development. It contains the following sections:

1. Vision
   - The vision of a St Kilda Centre has been driven by a shared belief that the unique history, culture and natural heritage of these islands should be celebrated. We seek to channel this into a Centre which will contribute to knowledge and understanding and be the global focus for remote access to Hiort;
   - The St Kilda Centre will be a world-class sustainable building that is in harmony with the landscape around it, and a showcase for remote-access technology. The Centre will be financially sustainable, and will benefit the local community and economy of Uig and the wider Western Isles;
   - Its location on the cliff tops at Mangurstadh will echo St Kilda, which will be visible on the horizon on a clear day. Visitors will be immersed in St Kilda’s cultural landscape and experience the intimate relationship between the St Kildan people and their unique natural environment;
   - Visitors will leave the Centre not only with a sense of wonder about St Kilda’s past, but a sense of its relevance to the present as an icon of islands worldwide;
   - The Centre will embody the community’s enduring respect for their land and their heritage. The ongoing partnership of crofting and conservation will combine with the best of storytelling and the creative potential of cutting-edge digital media to reflect the aspirations of a forward-looking Gaelic culture.

2. Objectives
   - To develop, build and operate a world-class, high-quality, inspiring destination which reflects the significance of St Kilda and to which visitors will want to come to discover St Kilda, Uig and other parts of the Outer Hebrides;
   - To develop a visitor experience, both inside and outside the building, which appeals to all the senses. A repository for stills, film and audio archives, books and artefacts, the latest research and IT, cliffs, weather, wildlife and other animals e.g. St Kilda sheep breeds;
   - To incorporate affordable excellence and sustainability into the building design and, aspire to a Centre that uses green technology and is self-sufficient in energy use;
   - To create a focus for community development that will revitalise the Uig community by encouraging an enhanced sense of belonging and pride in their way of life;
To deliver substantive economic benefits, including jobs and other financial opportunities locally, whilst building a sustainable business that contributes to the economy of the Outer Hebrides;

To develop a Centre that is a showcase for remote-access technologies, both in terms of practical application and in research and development – in partnership with UNESCO and new media technology companies;

To develop the Centre as an international educational resource for schools, students, researchers and academics interested in St Kilda, remote-access technologies and the phenomenon of islands in general;

To develop the Centre’s contribution to Gaelic culture and language, spoken and written, and to tell the human story of St Kilda;

To develop the Centre as a resource and inspiration for artists, writers and other creative people;

To build strong working partnerships with UNESCO and other relevant partner organisations – political, cultural and environmental;

To enable those associated with the centre to engage in activity, debate or advocacy at a national or international level to raise the profile and exhibit the significance of St Kilda and in so doing raise the profile of the Centre;

To develop a funding strategy that takes in the widest possible sources of public and private funding and innovative income streams to ensure the financial sustainability of the Centre;

To link the past to the present and future by considering challenges and opportunities of island life, not just in St Kilda, but islands worldwide.

3 Stakeholders and Strategic Framework

Discussions with stakeholders are already underway, including:

- the National Trust for Scotland, particularly concerning interpretation;
- Historic Scotland;
- UNESCO and the Scottish Ten Project concerning ‘Virtual St Kilda’;
- Scottish Natural Heritage, RSPB and the John Muir Trust.

The strategic framework includes:

- an Outer Hebrides tourism strategy and a creative and cultural industries strategy;
- Outer Hebrides Single Outcomes Agreement;
- developmental strategic tourism work;
- the St Kilda management plan, that flags up the encouragement of responsible access to St Kilda;
- the existing Outline Strategic Brief and associated consultation and workshop information;
- national strategies concerning land use and the natural environment, tourism, culture, learning and the rural economy.
The Visitor Economy

The potential for growth of the Outer Hebrides visitor economy is the single most important factor concerning the scope of the St Kilda Centre business case. The business case will rest on a set of projections of visitor numbers, profile and spend. These projections will comprise two market segments: niche high spending visitors attracted by the World Heritage designation and/or the richness of cultural heritage; and a broader visitor base more in keeping with the the profile of visitors to National Trust properties. The Project Group also aims to pioneer the creation of value through on line visitors and remote access.

Previous research (WHS The Economic Gain) found that Key World Heritage Sites (WHS) believe they are succeeding in attracting high value cultural visitors because of their WHS status – this ‘WHS Literacy’ appears to result in dynamic World Heritage Sites attracting disproportionately large numbers of high spending cultural visitors.

The initial feasibility report presents a cautious picture of the visitor economy, with modest visitor numbers and visitor spend compared to the national average. Even at the peak of the season local accommodation is not fully occupied. The Project Group also indicated that converting cruise ship visits into local activity is a future challenge. In summary the position could be described as:

‣ the visitor economy is under-performing in the Outer Hebrides;
‣ there is unused capacity in both the transport and accommodation sectors;
‣ it is crucial that more higher spending visitors are attracted to the Outer Hebrides;
‣ the Outer Hebrides suffers from a very ‘tight’ tourism season;
‣ key calendar events are not created or promoted sufficiently;
‣ current research and planning aims to re-energise tourism development in the Outer Hebrides;
‣ the national strategic approach of ‘turning assets into experiences’ and encouraging ‘cross collaboration’ works to the advantage of the Outer Hebrides.
The current visitor economy context for the St Kilda Centre development is consequently a ‘double edged sword’ and the tourism context can be summarised as:

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
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<tbody>
<tr>
<td>Potential to expand an underdeveloped visitor economy</td>
<td>The location is remote and not en route to another destination</td>
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<td>Potential to broaden out a short high season</td>
<td>Market growth will take time</td>
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<tr>
<td>Future expansion in ferry capacity</td>
<td>The St Kilda Centre offer proves not to be competitive in an international context</td>
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<tr>
<td>Established links with industry and neighbouring areas</td>
<td>Local collaboration and joint working stalls</td>
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<tr>
<td>Concerted strategic effort to develop tourism</td>
<td>Investment requirements for developmental activity not met</td>
</tr>
<tr>
<td>Importance to Economic Regeneration Strategy for Outer Hebrides</td>
<td>Failure to agree strategic and investment priorities</td>
</tr>
<tr>
<td>Alignment with national strategy and vision</td>
<td>The small scale of companies that comprise the sector</td>
</tr>
<tr>
<td>New initiatives like Lews Castle</td>
<td>Limited capacity for events and festivals development</td>
</tr>
<tr>
<td>Cultural tourism partnerships across the Outer Hebrides and further afield</td>
<td>Internal competition in the Outer Hebrides</td>
</tr>
<tr>
<td>Unique offer for World Heritage and Cultural Heritage visitors</td>
<td>Slower growth of carrier options to and from the Outer Hebrides than anticipated</td>
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The market has, however, moved on since the initial feasibility report was done. There is momentum on tourism development and a productive developmental framework. The Outer Hebrides Area Tourism Partnership and the Outer Hebrides Tourism Industries Association (OHTIA) are currently working with Highlands & Islands Enterprise (HIE) to develop a strategy for tourism development, adopting an approach that is closely aligned with the National Tourism Strategy and International Destination Development good practice. A year long visitor survey covering Orkney, Shetland and the Outer Hebrides will be completed in October 2013.

Most importantly the 2009 report ‘World Heritage Status - Is there an opportunity for economic gain?’ found that World Heritage Sites that establish why ‘our place is unique, special and globally important’ in their tourism market can reap major economic impacts from relatively modest increases in overall visitor numbers. The report points out that achieving this outcome is not cheap, and the future financial plans for the Centre are likely to place a strong emphasis on investment in marketing and promotion.
It will be important that the business case for the St Kilda establishes the following:

• a strong alignment with the priorities and approach of both the emerging Outer Hebrides and the national strategies for tourism;
• projected visitor figures, spend and profile based in research that considers: the results of the 2012/13 visitor survey for the Outer Hebrides, Shetland and Orkney; and local comparators (particularly the Callanish Stones Visitor Centre);
• an identification of new markets informed by the results of the ongoing Outer Hebrides Tourism Strategy research, cultural and heritage tourism research, and comparators
• cross collaboration with Argyll, Orkney and Shetland, particularly concerning culture, cultural heritage, festivals and events. This should be initiated with a meeting of key artistic figures including the Directors of St Magnus Festival, Shetland Arts, Comar, and An Lanntair;
• preparation of a case for inclusion in the proposed Hebridean Way;
• a case for the St Kilda Centre to provide the project development base for cultural and heritage tourism in the Outer Hebrides;
• brokering of the partnerships and relationships needed to develop the concept of ‘A Centre for Island Life’.

The creative and cultural industries (CCI) also make an important contribution to the local economy and the CCI strategy for the Outer Hebrides estimates that 500 people are employed in a sector that generates £33m. of Gross Value Added to the economy. The St Kilda Centre proposals are closely aligned with the strategy, particularly concerning artists residencies and writers retreats, Gaelic cultural development, creative business spin offs, and apprenticeships and training opportunities.
The Investment Strategy

The question of investment applies to both the capital project and the future operation. An overly ambitious capital project may prove to be too expensive to operate, while an underspecified attraction may fail to attract visitors and external funding support. Raising investment is an increasingly competitive endeavour, requiring projects to be highly organised and to resource their fundraising activities.

The business case will identify indicative capital and revenue requirements. This will provide the basis for establishing fundraising targets. The likely sources of funding described in the initial feasibility report include:

‣ Heritage Lottery Fund;
‣ Creative Scotland;
‣ European Regional Development Fund;
‣ NESTA;
‣ Scottish Government & Historic Scotland.

In addition to these funding sources consideration should also be given to:
‣ The Big Lottery Fund Growing Community Assets fund is also likely to be an important source of capital and revenue for the proposal. The first round of this fund awarded £48m. to 127 projects across Scotland and to date the second round has made 15 awards totalling around £10m. A recent evaluation of the fund indicated that successful projects had clear vision and need, an understanding of their community, and potential for capacity building and income generation;
‣ The new Creative Europe Programme, by developing European partnerships with organisations with a similar cultural and heritage agenda;
‣ Scottish Natural Heritage, Scottish Wildlife Trust, John Muir Trust, RSPB and the National Trust.

Further fundraising will also be required. This will include a major gift approach over a two year period and focused on:
‣ trusts and foundations;
‣ high net worth individuals;
‣ companies that can deliver more than £10,000.
A wide ranging smaller scale fundraising campaign will also address:
- smaller scale and local trusts;
- a Friends scheme;
- visitors.

An evaluation of fundraising challenges will be required. This can include factors like:
- a decline in business philanthropy;
- lack of fundraising experience;
- overburdening of the ‘usual suspects’;
- pressures on public sector budgets;
- competition in the local area.

Similarly, attention to fundraising potential is required at the outset. Factors may include:
- increases of funds available through Lottery distributors;
- inclusion in European funding streams;
- overall increases in individual philanthropy and trust income;
- international connections and recognition;
- modest prospecting of support to date.

The Project Group will need to begin to implement fundraising activity, including:
- present a clear vision and aims statement to underpin a fundraising case for support and develop a fundraising plan;
- create fundraising support infrastructure beginning with a dedicated sub-group that can commission or carry out work to raise funds for resources to deliver the fundraising campaign;
- commission a programme of prospect research to identify where useful networks exist, other opportunities for fundraising, likely significant supporters of developments in the Outer Hebrides, and St Kilda in particular, and individuals, trusts and companies that align with the aims of the project and can deliver funds in excess of £10,000.
- begin or refresh discussions with key funding bodies, including Big Lottery, Heritage Lottery and Creative Scotland. Consolidate these relationships and agree a timeline for the preparation and submission of applications;
- develop a fundraising strategy to deliver the match funding required by Lottery distributors;
The first stage of work would focus on developing the project sub-group, a fundraising plan, prospect research, and establishing both the case for support and approach to an application process with key funding bodies. The resources required to develop and implement the fundraising will depend on the level of expertise and capacity available on a voluntary basis. It is likely, however, that fundraising development and implementation over the initial period will require in excess of £50,000 for effective delivery.

The business case will also need to consider the further delivery of fundraising activity. Both for the Centre itself and for the project based activity programme used to animate it and to attract inward investment and visitors. It is likely that a Friends scheme, ongoing sponsorship campaigns, and continuous project based fundraising will be required. This can be fully integrated with the project delivery side of the Centre.
Business Planning

1 Business Planning for Natural World Heritage Sites - A Toolkit
Developed from three pilot training projects and 48 site-level exercises the toolkit describes a business planning approach appropriate to World Heritage Sites. It outlines unique characteristics as:

- ‘A critical difference between World Heritage site management and mainstream business is that whatever enterprises are undertaken, they must not undermine the values for which the site has been notified, and should in fact seek to enhance them.’

- ‘The most important assets of an organization are its staff and resources. It is critical that these are used in the best ways possible, and that they are sustained and enhanced.’

- ‘A central part of the World Heritage Site Manager’s job is to convince donors, governments and citizens (in the language of business) to ‘buy’ its products and services in an appropriate way, and then to demonstrate that their ‘investment’ is worth it. At the same time managers need to ensure that in ‘consuming’ our sites, nature’s capital assets are not diminished, but can be sustained.’
In the case of the St Kilda Centre the plan will be to help the organisation to plot its future course, secure investment for the capital project, and ongoing revenue support to sustain operations. The scope of the plan should cover a 3 to 5 year period, and provide detailed forecasts for year one, with outline forecasts for future years.

The simplest plans contain seven key sections:
1. An overview of your organization, its Mission and Aims
2. A clear statement of objectives
3. An assessment of the context and market in which an organization is operating
4. Budgets and financial forecasts to show how objectives will be reached, and assessment of risks along the way
5. Implications for management structure and staffing
6. Timescales and Activity Plan
7. Milestones and Monitoring.

2 An example of the St Kilda Centre Executive Summary
This section should demonstrate an accurate understanding of the business along and a compelling introduction to the reader.

A hypothetical example of what the St Kilda Centre’s Executive Summary could look like follows. This section aims to demonstrate how the business case for the Centre could be focused and described. It comprises a series of headings and assumptions that are likely to be similar to that of the emerging business plan, and aims to provide a useful template as a basis for future work:

The St Kilda Centre Vision & Mission:
The St Kilda Centre was founded to celebrate the natural and cultural heritage and resources of St Kilda in an inspiring and sustainable environment. The organisation is a charitable Trust established in 2013 to deliver the visitor and learning resources and activities to bring this vision to fruition.
Company & Market Overview:
The Centre operates two business units, the St Kilda Centre in Uig and St Kilda Projects. The former operates year round with a financial turnover of £100,000. Revenue is projected as 30% from tourists and visitors and 70% from grants and fundraising in the first year. By year 5 revenue is projected as £200,000 with 50% from visitors and 50% from grants and fundraising. 65% of income and expenditure occurs between May and September each year. The Centre includes catering and retail operations, and will act as a hub for walkers and activity based tourism, and for trips to St Kilda.

St Kilda Projects delivers research, community, cultural and heritage activities strands in Uig and with partners across the Outer Hebrides and beyond. 90% of projects are partnership or collaborative ventures and each is fully funded. The unit will act as a producer and promoter for new initiatives that draw new business to the Outer Hebrides, and for research initiatives that attract residencies and research partnerships. Rapid growth is projected with project turnover increasing from £40,000 in year 1 to £300,000 by year 5.

The combined offer of the Centre and St Kilda Projects will develop three markets. The first is building on the existing tourism market for the Outer Hebrides. The second is to expand the market for activity based and cultural tourism. The third is to create a market for World Heritage Site tourism.

Product Strategy & Marketing Plan:
The St Kilda Centre marketing strategy is to energetically develop and promote St Kilda as the only UK World Heritage Site with natural, marine and cultural status.

The Centre will be marketed for its:
› embodiment of the heritage and environment of St Kilda;
› immersive virtual and physical experience of, and portal to St Kilda;
› celebration of island life.

St Kilda Projects will be promoted as a calendar of specific cultural, recreational and learning events and programmes of international quality. The products on offer will include:
› a centre for arts and creativity, including creative residency, writers retreats, & presenting national collections;
outdoor pursuits, such as climbing, walking and water sports;
a satellite venue for An Lanntair and other Scottish venues and particularly partners in the Outer Hebrides, Argyll, Orkney and Shetland;
learning and research programmes;
showcasing new development, such as renewable energy, contemporary textiles and crafts;
seasonal installations of a scale to attract visitors, such as an international biennale of island architecture, art and design.

The St Kilda Centre will become a market leader in the application of technology in remote and island locations, from the use of Remote Access Technology to connect with the World Heritage Site, to the showcasing of renewable energy, and sustainable architecture and design.

The marketing strategy will incorporate existing routes to market with destination management companies, and Visit Scotland campaigns, as well as a new international network developed with World Heritage Sites and comparator Island destinations.

**Risk Management:**
The major immediate risk facing the St Kilda Centre is a failure to secure sufficient capital and revenue investment to develop the Centre at a scale and quality for the intended market. The mitigation of this risk will be achieved through a comprehensive investment strategy, consultation with key stakeholders and potential funders, research into future demand, and a persuasive business case.

Risks arising from the launch and future operation of the St Kilda Centre derive from the remote location and the relatively underdeveloped visitor market and tourism infrastructure. The strategy to manage these risks rests on an operation that is flexible to respond to issues of seasonality and variations in visitor and project income.
Finances:
The St Kilda Centre and St Kilda Projects will be either two discreet cost centres, a charitable trust and trading subsidiary, or two separate companies.

The aim is to double the financial turnover of the St Kilda Centre over a five year period through increases in visitor numbers and associated expenditure. This, in turn will reduce the proportion of income from grants and fundraising, and increase operational capacity across the year.

St Kilda Projects will grow rapidly from a turnover of £40,000 in Year 1, to £300,000 in Year 5. This will be achieved through project fundraising and through collaboration and joint projects at local level and at international level.

Conclusion:
The St Kilda Centre will need to be of sufficient quality and vision to be the public face of the St Kilda World Heritage Site. Given the remote location and underdeveloped visitor economy the Centre will not be enough in itself to create a destination and St Kilda Projects will provide a programme to develop new markets for the Western Isles. Operations will be seasonal and flexible to respond to demand and opportunity.

3 The full business planning requirement
Section 2: Institutional Analysis
2.1 Profile
2.2 Vision and Mission
2.3 Present Situation
2.4 Stakeholder Analysis
2.5 Analysis of Strengths, Weaknesses, Opportunities and Challenges (SWOC)
2.6 Objectives

Section 3: Market Analysis
3.1 Overview
3.2 Market Definition
3.3 Analysis of Political, Economic, Social and Technological (PEST) Factors
3.4 Customer Profile
3.5 Competition
3.6 Strategic Options

Section 4: Marketing Plan
4.1 Marketing Strategy
4.2 Product
4.3 Pricing
4.4 Place (Distribution)
4.5 Promotion
4.6 Market Forecasting
Section 5: Operational Plan
5.1 Overview
5.2 Procurement
5.3 Contractual Agreements
5.4 Sustainable Financing
5.5 Health and Safety Issues
5.6 Preventative Maintenance

Section 6: Human Resources
6.1 Overview
6.2 Organizational Structure
6.3 Staff Profile
6.4 Gap/Organizational Needs Analysis
6.5 Training

Section 7: Risk Analysis
7.1 Identifying and Evaluating Risks
7.2 Risk Management and Contingency Planning

Section 8: Financial Plan
8.1 Overview
8.2 Financial History
8.3 Budget
8.4 Financial Statements
8.5 Future Financial Projections
8.6 Conclusions

Section 9: Action Plan

Section 10: Appendices

Source: Business Planning for World Heritage Sites - A Toolkit (UNESCO & Shell Foundation)

Action Plan

1 The key questions
The action plan must address the following 6 key questions:
› What are the key factors determining the future facility and organisation;
› What is the right structure for the organisation;
› Who are the stakeholders, what can be expected from them, and what do they need;
› What is the design brief and how will the design team be appointed;
› Who are the people involved, including governance, management & staffing;
› How do the finances work, including where money comes from, assets, and proposed net expenditure?
2 Critical path

The critical path will be led by the deadlines of potential funding organisations. The bulk of capital funding will be from Lottery distributors who operate a two phase approach. This means that applications must be co-ordinated to ensure the timings of development periods coincide.

- **November 2013**
  - agree brief for business planning
  - skills audit of Project Group

- **January 2014**
  - appoint business planning consultants
  - co-opt to Project Group

- **May 2014**
  - agree feasibility and business plan
  - agree governance and form company
  - appoint architects for RIBA Stage B plans

- **June / July 2014**
  - submit stage 1 Lottery applications
  - secure project funding for pilot activities

- **September 2014**
  - appoint development team & project mgr
  - fundraising campaign
  - projects programme

- **June 2015**
  - stage 2 Lottery submissions
  - projects programme
3 The Project Group

The Project Group membership is the basis of the future organisation and must include an appropriate set of skills and experience. A simple skills audit should be carried out prior to a recruitment process to address key gaps. Skills and experience requirements include:

- community involvement
- business development, including retail and catering
- finance and legal
- learning, education and research
- communications and marketing
- cultural and natural heritage
- capital schemes.

There are distinctive pieces of work that need to inform the business case for the development of the St Kilda Centre. The Project Group will need to ensure the scope of this work includes the St Kilda Centre, and that results are fed through to the business planning process. Key areas of activity include:

- strategic tourism development, and the potential to attract high spending WHS tourism in particular;
- the ‘virtual St Kilda Centre’ and Remote Access Technology in particular;
- learning and research, including partnerships with institutions;
- establishing comparators and developmental relationships with WHS elsewhere in the world;
- partnerships with other developments in the Highlands and Islands.

The work of the Project Group will be included in overall project planning to ensure that it can be included in business planning documents and funding applications.

It is likely that an application to the Big Lottery Growing Community Assets fund will be considered as this provides support for up to five years of operation. The future governance of the organisation will need to comply with the fund’s requirements for community control and involvement.
# The actions

1. **What are the key factors determining the future facility and organisation**
   - Identify the strategic context of the initiative at local, national and international levels
   - Establish local needs with desk and supplementary primary research where needed
   - Undertake a demand study concerning the potential visitor market
   - Research potential partners at local, national and international levels
   - Analyse key issues of location, seasonality and scope

2. **What is the right structure for the organisation**
   - Comparator research of up to 8 existing Centres, in Scotland, Ireland and further afield
   - Three site visits to comparators to explore key issues arising from the research
   - A SWOC of the project to establish the optimum operational platform
   - A project group workshop to agree company structure and governance

3. **Who are the stakeholders, what can be expected from them, and what do they need**
   - Desk research to review consultation and community involvement to date
   - A further round of local consultation to inform functionality and volunteering capacity
   - Identify and consult with potential funding agencies and partners
   - Prepare an investment strategy and fundraising plan

4. **What is the design brief and how will the design team be appointed**
   - Establish the most appropriate process (competition, contractual, project management)
   - Provide a clear description of intended outcomes, market and required functionality
   - Identify the likely budget parameters and timescale
   - Provide examples of projects considered as beacons or exemplars
   - Describe key issues that must be taken into consideration

5. **Who are the people involved, including governance, management & staffing**
   - Establish skills and experience required at Board level and undertake audit
   - Prepare recruitment processes for securing new Board members, staff and volunteers
   - Prepare staffing proposals with sample job descriptions and person specifications
   - Draft an organisational development plan from project inception to Year 3 of operations

6. **How do the finances work, income, assets, & proposed net expenditure**
   - Prepare 3 to 5 year financial projections for the Centre
   - A P&L for the first year of operation
   - Trading projections for catering, retail and other discreet cost centres
   - Prepare a St Kilda Projects set of financial projections
   - Prepare a detailed sensitivity analysis and risk plan
5 The business case

The next step is to establish a business case to support approaches to stakeholders and potential funders. A draft method to achieve this follows:

<table>
<thead>
<tr>
<th>Key Task</th>
<th>Actions</th>
<th>Role of Project Group</th>
</tr>
</thead>
</table>
| - Inception meeting to agree project method, timescale, communications, data sources, reporting and deliverables | - meeting between Project Group and delivery people / contractors  
- site visit  
- Project Initiation Document (PID) circulated to Project Group | - to provide venue & attend  
- to agree lead members for key tasks  
- to agree PID |
| - Review project documentation | - ensure the team is familiar with the consultation, research and analysis to date | - to provide documentation in electronic format and to advise on status when appropriate |
| - Strategic review and alignments | - align with international, national and regional strategies - desk based exercise  
- follow up face to face and telephone research to provide more specific advice as required | - to update on strategic developments at local level  
- to advise on previous discussions with strategic organisations |
| - Stakeholder analysis to ensure funder requirements met | - face to face consultation with key funding bodies  
- formal entry to funding streams where appropriate (e.g. Big Lottery or HLF)  
- consolidation of community consultation to date  
- workshop with local community representatives aimed at addressing funder requirements  
- developments to governance to ensure compliance with funder requirements  
- further community consultation if required | - update on funder discussions and correspondence to date  
- sign off on entry to funder schemes  
- attend workshops  
- agree developments to governance as required, and implement changes  
- provide contacts and venues to community consultation, and agree approach |
<table>
<thead>
<tr>
<th>Key Task</th>
<th>Actions</th>
<th>Role of Project Group</th>
</tr>
</thead>
</table>
| Understand demand and potential market | -carry out a visitor demand study, to incorporate recent research initiatives in the local visitor economy
-undertake supplementary research with comparators and visitors as required
-carry out a catering, hospitality & retail demand study
-carry out a projects and events demand study | -to commission research and studies as required
-to brief consultants and researchers
-to advise on competition and comparator analysis
-to provide links to event and project organisers |
| Projects and partnerships potential | -face to face & telephone meetings with potential cultural partners
-cultural tourism workshop with artistic directors from An Lanntair, Taigh Chearsabhagh, CIMC, Hebridean Celtic Festival, Comar, Shetland Arts, and St Magnus Festival, Pier Arts Centre
-desk research, face to face and telephone consultation with potential research partners, including UHI
-face to face & telephone consultation with potential visitor destination partners
-desk research & telephone consultation with World Heritage Sites (up to 5) | -provide contacts and introductions when appropriate
-to participate in workshops and face to face consultation
-to input into desk research with World Heritage Sites
-to agree the resulting projects and partnerships framework |
| Investment strategy and fundraising | -identify and describe potential funders in the public sector, lottery distributors, and NGOs
-identify and describe potential Trusts and Foundations, and other funding sources
-advice on approaches to funders, including timing, initial contact, content of submissions and key points specific to each funder
-describe and cost out the delivery requirements for the investment strategy and general fundraising plan
-provide a detailed implementation plan including the role of the Project Group and requirements for professional support | -provide contacts and briefing concerning potential funding partners
-provide contacts concerning donorship prospects
-oversee professional support and strategic development
-provide lead volunteers for fundraising activity
-organise events as required
-agree targets and monitor progress |
<table>
<thead>
<tr>
<th>Key Task</th>
<th>Actions</th>
<th>Role of Project Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop a marketing and communications strategy</td>
<td>- translate demand and market analysis into deliverable targets</td>
<td>- provide local intelligence on marketing conditions and successful approaches</td>
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<td>- establish a communications strategy that includes relationship management, press and media, and use of social media</td>
<td>- advise on potential for joint marketing and promotion</td>
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<td>- draft a marketing strategy, identifying opportunities, indicating the preferred marketing mix, and recommending delivery platform</td>
<td>- establish voluntary capacity to support marketing and communications</td>
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<td>- devise brief for procurement of computerised sales and marketing support, including online services</td>
<td>- advise on online resources</td>
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<tr>
<td>Draft options appraisal and business case</td>
<td>- develop a comprehensive options appraisal that evaluates the scope and functionality of the Centre against agreed criteria</td>
<td>- attend presentations and discussions at pre-agreed points in the process</td>
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<td>- prepare a business case for the preferred option that evidences demand, demonstrates sustainability, and fully describes the operational platform</td>
<td>- meet to discuss and comment on draft documentation</td>
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<td>- prepare a three year budget and operating and financial projections</td>
<td>- agree final documents</td>
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<tr>
<td>Develop project, including design feasibility and initial designs for funding submissions</td>
<td>- prepare design feasibility brief, to include RIBA Stage B Plan of Work for preferred option</td>
<td>- establish a sub-group to support the process</td>
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<td>- prepare project management brief</td>
<td>- deliver procurement processes when required</td>
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<td>- support procurement processes</td>
<td>- attend a workshop to finalise the feasibility and Stage B plans</td>
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<tr>
<td>Preparation of funding bids</td>
<td>- translate feasibility and business case into funding applications for key funders</td>
<td>- agree schedule of funding submissions</td>
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<td></td>
<td>- prepare a schedule of funding submissions</td>
<td>- advise on local conditions concerning funding submissions</td>
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<td>- organise lobbying, advocacy and profile raising to support bids</td>
<td>- lead on advocacy and profile raising</td>
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<td>- amend and agree funding submissions when required</td>
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</tbody>
</table>
The proposed timescale for preparing the business case is the optimum one and assumes that the Project Group, stakeholders and contractors are available at each stage. It is likely that the agreed timescale will by 16 to 20 weeks.

First phase (investment case) timescale:

<table>
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<tr>
<th>Task</th>
<th>Wk 1</th>
<th>Wk 2</th>
<th>Wk 3</th>
<th>Wk 4</th>
<th>Wk 5</th>
<th>Wk 6</th>
<th>Wk 7</th>
<th>Wk 8</th>
<th>Wk 9</th>
<th>Wk 10</th>
<th>Wk 11</th>
<th>Wk 12</th>
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<tr>
<td>Inception Meeting &amp; site visit</td>
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<td>Desk Research &amp; review</td>
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<td>Strategic review &amp; alignment</td>
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<td>Stakeholder consultation</td>
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<td>Partnership development</td>
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<td>Demand studies</td>
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<tr>
<td>Investment &amp; fundraising strat.</td>
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<td>Design feasibility</td>
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<tr>
<td>Preparation of funding bids</td>
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</table>

Following submission of stage 1 funding bids there will be a short period awaiting decision, followed by a development period of around 6 months. This period will require the preparation of a detailed three to five year business plan and final capital scheme and design proposals. The development period is likely to include:

- detailed fundraising development and implementation;
- discreet and detailed feasibility work on new developmental areas, including research, cultural tourism, local employment and training opportunities, and events;
- scoping and partners for the virtual St Kilda project;
- project initiatives and applications;
- pilot activity, including a joint project with partners in Argyll, Orkney and Shetland;
- comparator and partnership research and visits;
- profile raising at national and international levels.
The Programme

The following programme method was developed for Big Lottery Fund for the development of community assets, but provides a helpful example of the range and ordering of tasks required in a project of this sort:

<table>
<thead>
<tr>
<th>Stage</th>
<th>Ideas</th>
<th>Actions</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Define purpose/strategic fit/project</td>
<td>Capacity needs analysis</td>
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<td>objectives</td>
<td>Create a baseline measure for what is to change</td>
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<td></td>
<td>Gather support, information and advice</td>
<td>Identify and engage other stakeholders/develop partnerships in the public, private and third sectors</td>
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<td>Identify project champion(s)</td>
<td>Plan and implement the process of community engagement</td>
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<td></td>
<td>Identify potential asset(s)/site(s)</td>
<td>Secure funding for project feasibility study</td>
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<td></td>
<td>Establish availability of asset</td>
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<td></td>
<td>Set up organisation/ensure governance</td>
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<td></td>
<td>structures are fit for purpose</td>
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<tr>
<td></td>
<td>Capacity needs analysis</td>
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<td></td>
<td>Put in place sufficient management capacity and competence for feasibility stage</td>
<td>Establish demand/needs analysis/identify users</td>
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<td>Options appraisal</td>
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<td></td>
<td>Risk assessment/develop risk control strategy</td>
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<td></td>
<td>Obtain legal advice</td>
<td>Develop a business case for investment</td>
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<td></td>
<td>Feasibility study</td>
<td>Develop a business plan for activities</td>
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<td></td>
<td>Obtain permissions (e.g. planning, building regulations, right to buy, etc.)</td>
<td>Undertake site survey</td>
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<td>Obtain estimates for cost of acquisition</td>
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<td>Obtain estimates for cost of development</td>
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<td></td>
<td>Secure funding for project implementation</td>
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<td>Campaigning/lobbying/raising awareness of project</td>
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<td>Acquisition</td>
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<td>Prepare ownership documentation/complete missives</td>
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<td>Take ownership of asset</td>
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<td></td>
<td>Publicise ownership of asset</td>
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<tr>
<td>Building and development</td>
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<td></td>
<td>Appoint project manager for building/development stage</td>
<td>Secure any additional funding required for build stage</td>
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<td></td>
<td>Develop design brief</td>
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<td></td>
<td>Establish work programme/schedule</td>
<td>Arrange asset insurance</td>
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<td></td>
<td>Appoint and manage contract team</td>
<td>Continue building networks</td>
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<td></td>
<td>Obtain legal advice</td>
<td>Develop policies and procedures</td>
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<td></td>
<td>Develop detailed design and costings</td>
<td>Work on site</td>
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<td>Consult community/users on proposed design</td>
<td>Seek building control approval for completed works</td>
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<td>Submit design for full planning permission</td>
<td>Handover of completed works</td>
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<td>Ensure regulatory requirements are met</td>
<td>Purchase and install fixtures/fittings/equipment</td>
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<td>Monitoring of project progress</td>
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<tr>
<td>Service development</td>
<td>Service delivery and ongoing operation of asset</td>
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<td>---------------------</td>
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<tr>
<td>Recruitment and management of delivery staff</td>
<td>Set up financial management system</td>
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<td>Consultation with users/residents/community</td>
<td>Monitoring and evaluation</td>
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<td>Establish/manage service agreements</td>
<td>Generate income/secure funds for ongoing activities</td>
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<tr>
<td>Develop new services</td>
<td>Establish and implement policies and procedures</td>
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<tr>
<td>Develop partnerships</td>
<td>Develop partnerships</td>
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<tr>
<td>Generate income/secure funds for activities</td>
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<td>Marketing and promotion of services</td>
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</tbody>
</table>

**Source:** Developed by SQW Consulting and based on the ATU support map (available at [http://atu.org.uk/Support/AssetMap](http://atu.org.uk/Support/AssetMap)), DTA guide to asset development for community and social enterprises (available at [http://atu.org.uk/Support/toolkits/THATH](http://atu.org.uk/Support/toolkits/THATH)), and evidence from GCA case study visits.
The Contents Sub-group

This group met in June 2013 and drew up the following map of potential contents for the St Kilda Centre:

- Safe walkways along cliff tops
- High-powered telescopes
- Material: library space
- Maps: touchscreen archaeological map of Hirta; 'cloudpoint' laser map
- Photography: Films, archive, feature, documentaries
- Publications (approx. 700)
- Recordings: voice, songs, dance, music, opera
- Cultural, myths and legends (including artefacts)
- Archive: Research/archival/
- Natural Heritage: Maps: 'cloudpoint' laser map of seabed
- Telescopes: underwater cameras
- Films: time-lapse film, aerial film, wildlife film
- Flexible multi-media space
- Theatre/performance space
- Exhibition space

The group also identified the potential for Ranger Services and Soay and Boreray Sheep to be on site.