

1. Appendix1 Cultural Quarter OBC -Executive Summary

What are Moray's challenges?

Initial workshops held with key stakeholders from the public and private sector, business and community representatives identified a number of key challenges in the Moray area.

- Business Community and NHS Grampian highlighted issues with recruiting professional staff to the area, with the lack of cultural and evening economy offerings identified as a key factor,
- an online community survey highlighted leisure / recreation as one of the top areas for improvement,
- workshops with students in the local college identified issues with retention and attraction of young people in the area, which backed up the findings of the Highlands and Islands commissioned report "Young People and the Highlands and Islands: Maximising Opportunities" issued in November 2018. They also identified leisure / recreation as one of the top 3 reasons why 70% of them were planning to leave the area,
- engagement with travel industry professionals and local business leaders reinforced the requirement for a 100 room 4/5 star hotel in the area.

The workshops identified over 120 potential projects to improve the economic situation within Moray, with the help of Inclusive Growth Diagnostic data which compared statistics to national averages and key comparator areas.

These initial project ideas were rationalised and prioritised to create a manageable group of key projects for which Strategic Outline Cases were developed to explore these opportunities more fully. At the same time a vision and objectives were developed for the Growth Deal and these were tested through extensive consultation and engagement exercises with the community and with businesses in the area to ensure that the right issues were being addressed within the proposals.

How will we meet these challenges?

Culture-led regeneration is an emerging trend amongst many UK cities and towns. The economic appraisal commissioned with consultants identified examples such as Belfast and Dundee leading the way, but others such as Folkestone and St Ives providing useful comparison.

There is strong evidence that investment in culture and creativity has the potential of generating socio-economic impacts such as strengthening communities and skills, increasing employment and boosting tourism.

The consultation exercises during development of the Moray Growth Deal emphasised the need for cultural/leisure facilities in order to attract and retain young people to live and work in the area and to meet the growth and development of tourism aspirations for the region.

To meet this need the Cultural Quarter was identified as a project within the Growth Deal with two clear aims:

1. Increase tourism in Moray by providing a focal point to draw in additional visitors and signpost them to attractions right across the area.
2. To provide an enhanced cultural and evening economy offering which will help to attract and retain young people in the area.

Who is involved?

In order to develop the Outline Business Case a stakeholder analysis was undertaken to identify the key groups and individuals to form a project board to direct this work. The board consists of representatives from Moray Council, Highlands and Islands Enterprise, Moray College/University of the Highlands and Islands, Visit Moray Speyside, Grant Lodge Trust/Friends of Grant Lodge, Elgin Town Hall for the Community, and Robertson Regeneration and Property.

How did we identify the solution?

A benefits identification and mapping workshop was held in August 2018 to serve three purposes;

- to align stakeholder views and ensure that everyone was working to the same aim;
- to identify inputs, activities, outputs, outcomes and impacts to enable the logic model to be developed;
- to identify the key benefits to be measured in order to demonstrate success.

Following on from these a number of options appraisal workshops were undertaken with a wider range of stakeholders to identify the options to be appraised during the economic case.

The results of economic appraisal undertaken by specialist consultants were then supplemented with additional work to evaluate and monetise the social / inclusive growth impacts of the options (assisted by the Fraser of Allander Institute at Strathclyde University), and the board made the final decision on the preferred option in September 2019.

Although the focus of the Heritage Experience was amended slightly in November 2019, following advice from Scottish Government advisors and Visit Scotland, this was considered to have little impact on the Social Cost Benefit Analysis for the project.

What is the solution?

The proposal is to create a vibrant Cultural Quarter space at the heart of Elgin that will support economic growth and cultural expansion within the city and wider region.

The project has 3 key elements:

1. Refurbishment of the currently unused Grant Lodge to create a high quality heritage attraction designed to increase the number of visitors to Moray and to encourage people to stay longer in the area. Grant Lodge is a B-listed building situated in Cooper Park built in the 18th century to a design by the Scottish Architect Robert Adam. The building has been boarded up since it was damaged by fire in 2003 but plans have been developed to refurbish and extend to accommodate proposals.



The project will build upon the strength of the heritage of Moray with a focus on food, drink, and textiles, including the vast array of world class food and drink offerings originating in Moray, as well as the obvious output from “Malt Whisky country”.

The Heritage Experience will complement existing facilities, showcasing not just Speyside whisky but also our region’s other food and drink, craft gins and beers, textiles, art, culture and heritage. With retail and catering offerings the building will tell the region’s stories using interactive exhibitions, installations and multimedia, offering visitors an authentic introduction to Moray Speyside. It will signpost visitors to the region’s other tourist attractions (e.g. distillery visitor centres, golf courses, coastal outdoor activities, beaches, mountain and forestry trails, history and heritage) and towns, encouraging longer stays and additional spend.

Particular emphasis has been made within the business case on ensuring that the heritage experience compliments existing offerings throughout the area. Elgin is a central location which is close to all major transport links and provides easy access to all parts of Moray. It is also the most visited by tourists and therefore is ideal for signposting to other attractions throughout Moray.

2. Refurbishment, extension, and rebranding of the Town Hall to house a multi-purpose theatre/ performance space, small cinema, rehearsal rooms, and potential gallery space to create an improved cultural offering and support local creative industries. The refurbished facility will have a flexible configuration to accommodate conferences and events for the business tourism market, complementing provision offered by the hotel and providing scope for expansion of existing events, such as Spirit of Speyside Distilled.



The Town Hall will provide additional capacity and opportunity for the region's creative and cultural organisations, and practitioners, and will provide employment and training opportunities for students from UHI Moray College across a range of courses. The provision of a modern theatre and associated performing arts facilities and an increased number of events available locally will reduce the need for people in Moray to travel to Inverness or Aberdeen, make arts and culture more accessible, and support the development of an evening economy in Elgin Town Centre.

3. Provision of a high quality hotel (to be privately funded) to address a much-needed and long acknowledged market gap in the region's tourism infrastructure, and open up Moray's tourism industry to new markets. Moray lacks both quantity and diversity of accommodation supply. The region's largest quality hotel has just 52 rooms.

The result is that we are unable to meet the ongoing demands from leisure visitors for high-quality accommodation, to service coach tour markets, or to accommodate business conferences. There is a particular lack of accommodation provision in the Elgin area.



A 60-100 bedroomed quality hotel will address this long-established gap in the region's accommodation provision and serve both the leisure and business tourism

markets and open up Moray's growing tourism industry to a market not currently catered for within the region.

Each element will be linked together by enhanced public space and road traffic reconfiguration to ensure easy and safe walking and cycling connections to the town centre.

How much will it cost?

The project is currently estimated to cost in excess of £31 million. This total includes; £9 million of private sector funding to cover the development of the hotel proposal; £6 million for refurbishment of Grant Lodge plus around £3 million for the technological fit-out of the Heritage Experience, £9 million to cover design and build costs for the renovation of the Town Hall; £4 million on upgrading of public space and access routes, plus all ancillary costs.

How will it be delivered?

It is expected that the work will be phased, with separate contracts being let for Grant Lodge and the Town Hall. Work on Grant Lodge will begin as soon as possible to minimise future degradation of the building which has been empty for around 15 years. Work on the hotel will be dealt with separately following a detailed demand assessment. Although it is expected that each element will in effect be managed as a separate project the governance will still require monitoring at a programme level, which will be controlled by Moray Council.

How will the benefits accrue?

The Heritage Experience, housed in the refurbished and extended Grant Lodge, would provide a focus to direct visitors to the many other attractions throughout the Moray area in addition to being an attraction in its own right. This will boost tourism in the area through both additional visitor numbers and longer stays. It will also give opportunities for smaller businesses to showcase their products.

The renovated Town Hall venue will increase the attractiveness of the area to new recruits and to young people who might be considering moving away from the area.

The hotel will provide the increased capacity and quality required for both tourism and business purposes.

The accumulation of these facilities will increase vibrancy of the town and economic growth across Moray. Future development from inward investors is expected as the vibrancy of the Cultural Quarter increases.

Is it financially sustainable?

The financial case focusses on the two elements of the project to be funded from the public purse (Grant Lodge and the Town Hall). The financial projections are based on operational models identified through research and discussion, and demonstrate that both venues can quickly become operationally viable. Extensive engagement with larger businesses in the area has identified significant support for the proposal and interest in financial / operational involvement.

How does the project fit in the strategic landscape?

The project is in line with growth strategies guidance and will enable the delivery of a number of key regional growth, regeneration and cultural priorities including:

- Industrial strategy (supporting business to start and grow; encourage trade and inward investment; cultivating world – leading sectors; driving growth across the whole country; creating the right institutions to bring together sectors and places)
- UK Government Tourism Sector Deal
- Scotland’s Economic Strategy
- Moray Economic Strategy
- Local Outcomes Improvement Plan
- The 2015 Elgin Charrette
- Moray Tourism Strategy
- Moray Local Development Plan 2020
- Elgin Town Centre Masterplan (in development)

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What else is happening in the region?

In terms of competing demand we are aware that as part of the Inverness and Highland City-Region Deal there is a proposal to develop Inverness Castle into a tourist attraction, however these proposals are not currently developed and this facility would be around one hour from the Moray proposal in terms of travel time. Regular contact is maintained with the Programme Office at Highland Council to ensure that these developments are complementary.

The Cabrach Trust is currently undertaking a conversion of traditional steading buildings to create a working historic distillery. Again we are aware of the development and have had conversations with the Trust regarding the opportunities for collaboration, and in particular signposting.

What else needs to be done?

The following work has been identified to be completed nearer to any potential project start date and as part of full business case development.

- Flood risk and land contamination surveys to be undertaken for the hotel site.
- Demand assessment for hotel to be revisited, although enquiries from developers and hoteliers would indicate that the market is still there.
- Trust deed for Grant Lodge and surrounding land to be ratified with Court of Session.
- Agree operating models for all facilities.
- Consideration of net zero carbon targets on all building and refurbishment work.

- Road network design studies and landscaping plan.

What has been the impact of the Covid-19 pandemic?

Along with the rest of the world the project will be affected by the global coronavirus pandemic, however within the overall Moray Growth Deal programme work is not due to start on this project until April 2024. The full business case will need to revisit financial projections at this point to identify a new baseline for the project but at present the assumption is that by then numbers will have recovered to near pre-Covid levels. An emerging trend over the summer of 2020 has been a marked increase in domestic visitors, with most campsites in Moray reporting being at capacity throughout this period.

Design work for all facilities will take account of issues identified during the Covid-19 outbreak and include contingency arrangements where possible to account for any future pandemics of this nature. For example online facilities will form a significant aspect of the Heritage Experience to enable people to interact virtually if necessary and plan future visits in safety.