



KCFA Business Plan Summary

- Kinloch Castle on the island of Rum is a Category-A listed building. The castle, built in 1897, is a monument to late Victorian/early Edwardian craftsmanship, constructed to exacting standards, and with the original contents largely intact. The castle has been called the most complete example of an Edwardian shooting lodge that there is.
- Kinloch Castle Friends Association (KCFA) has applied for asset transfer of the castle from the current owners, Scottish Natural Heritage (SNH), who have no further operational need for the castle and no resources to maintain it. The island, including the castle, was transferred to Nature Conservancy in 1957, and the castle has been under the care of SNH since 1992 and has been on the Buildings at Risk Register since 2004. KCFA has also requested that the Steading building be included in the transfer, as this would be invaluable for secure storage of castle contents during restoration, and could thereafter be upgraded to accommodate staff working in the castle.



- A business plan has been prepared to support KCFA's request for asset transfer of the castle, surrounding policies, and the Steading. One factor which has assumed greater importance while work on the business plan progressed is the critical issue of power on the island.
- Part of the accommodation within the castle was previously run as hostel facilities. The hostel closed in 2013, and the castle has been unoccupied since then, with only seasonal museum tours taking place. The condition of the castle is deteriorating rapidly and the costs rising exponentially.

- The business plan builds on numerous previous studies, in particular the Prince's Regeneration Trust study of 2014 and the April 2016 Savills report.
- The business plan contains a heritage strategy setting out recommendations for conservation of the collection. At the time of making the request for asset transfer, KCFA requested that the contents be gifted to the organisation, being firmly of the view that the castle and contents should not be separated.
- KCFA is currently established as a registered charity, but recognises that, to be eligible for asset transfer, it needs to set up an alternative governance model. Legal experts have been commissioned to draft the necessary documentation to set up 2 Scottish Charitable Incorporated Organisations (SCIOs). One SCIO, comprising principally members of the local community, would acquire ownership and lease the asset to the second SCIO, a professional organisation which would be responsible for raising funds, carrying out the restoration, and running the facility.
- Rum is a National Nature Reserve, mostly owned by SNH, although the houses in the village of Kinloch and its environs transferred to the Isle of Rum Community. The asset transfer of the castle is regarded as the next phase in the return of the island's assets to a community which was dispossessed in 1828, at the time of the forcible clearance of over 400 people by MacLean of Coll to create a sheep farm.
- A report to KCFA by Smith & Garratt, surveyors with expertise in heritage projects, estimates the cost of the first phase of restoration of the castle at £6.9 million.
- There is a clear lack of sufficient indoor accommodation on Rum, in particular a lack of accommodation for large groups of students, and also bedrooms suitable for families. This has been highlighted in previous reports and is supported by unmet demand figures collected by the manager of the existing 20-bed bunkhouse on the island.
- Numbers of tourists visiting Scotland, and the Highland area in particular, are rising, and this increase is likely to continue.
- KCFA plans involve a phased programme of works to the castle, the first phase being to address urgent building works and also works to enable the former hostel accommodation to re-open as a bed and breakfast business with initially 51 beds, bar and bistro facilities.
- There is political will for an asset transfer to a suitably competent community organisation, and public sector support has been offered in principle to enable this to happen. SNH is currently working in partnership with Historic Environment Scotland and Highlands and Islands Enterprise to this end.
- The castle project features regularly on the agenda for meetings of the Isle of Rum Community Trust, and the local community has expressed support. All are agreed that the operation of the castle needs to complement, rather than compete with, existing island businesses. Strenuous efforts are being made to ensure this is the case.
- Whilst the medium term aim regarding power supply would be to develop an all island and environmentally appropriate solution, the proposed interim solution to the uncertainties over power supply is to equip the castle with a stand-alone combined-heat-and-power unit. This has increased the cost of the first phase of restoration very significantly.
- It is proposed to apply for funding from a variety of sources, including Heritage Lottery Fund and charitable trusts, to enable the second phase of the works to be undertaken.

The second phase will comprise further structural repairs to the castle building and restoration of the "museum" rooms. KCFA recognises that the current funding landscape is one of continued austerity, and that other sources of funding, including private sector partners, may require to be identified.

- Following successful completion of the second phase, it will be possible to market events, such as celebrations, weddings and parties. Initial marketing of the first phase will focus on Rum's abundant wildlife, remoteness, culture, and natural attractions.
- A marketing plan has been produced. This includes the following elements: extensive use of social media; building relationships with partner businesses such as boat companies and tour operators; participation in events aimed at stimulating tourism run by Visit Scotland and Visit Britain; and contact with further educational establishments.
- Projections of recurring costs and estimated income show a small operating surplus during Phase I, and that the castle will be self-sustaining after Phase II.
- The project will make a significant impact on the socio-economic development of the island and surrounding area, with: the engagement of contractors working on the restoration; the employment of staff to run the castle accommodation, bistro and bar facilities; and the very considerable opportunities for development of tourist activities which the increased accommodation on the island will facilitate.
- Beneficiaries of the project are principally the local community (through ownership of an important heritage asset, employment opportunities, increase in population, increased number of visitors to the island, and subsidiary business opportunities), and also educational and other groups and individuals visiting the Small Isles.