

Finance and Resources Committee

10.00am, Thursday, 3 March 2022

Impact Scotland: Edinburgh and South East Scotland City Region Deal Funding

Executive/routine Wards Council Commitments	Executive All 1 , 2 , 4 , 6 , 7 , 10 , 18 , 19
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1. Recommendation

- 1.1 It is recommended that Finance and Resources Committee:
- 1.1.1 Note the progress of Impact Scotland on the Edinburgh and South East Scotland City Region Deal (ESESCRD) commitment to deliver a world-class concert hall and performance venue to reinforce Edinburgh's position as a pre-eminent Festival City;
 - 1.1.2 Note the revised business case submitted by IMPACT Scotland for the Centre (Appendix 1);
 - 1.1.3 Note the funding package for the centre which comprises £5m from the Council's capital budget, £20m from Scottish and UK Governments, via the ESESCRD, and £50m from private sector contributions and approve the release of this funding for the development of The Dunard Centre; and
Delegate authority to the Executive Director of Place, subject to the arrangements set out in paragraph 4.13, to enter into a funding agreement with IMPACT Scotland.

Paul Lawrence

Executive Director of Place

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Report

Impact Scotland: Edinburgh and South East Scotland City Region Deal Funding

2. Executive Summary

- 2.1 The International Music and Performing Arts Charitable Trust Scotland (IMPACT Scotland) plans to build and operate a new world-class performance venue in the heart of Edinburgh comprising a 1,000 seat auditorium, delivering a wide range of performance, education and outreach programmes alongside digital and broadcasting facilities, leading to extensive public engagement.
- 2.2 The Dunard Centre, supported by Royal Bank of Scotland, will be the new home for the internationally acclaimed Scottish Chamber Orchestra (SCO) and provide an additional premier performance space for the Edinburgh International Festival (EIF). The business case contains the largest ever private donation to culture, musical art and civic life in Edinburgh and one of the largest philanthropic gifts ever given in Scotland. The business case has been given sustained and proper consideration by Council officials and officials from the Scottish and United Kingdom (UK) Governments.
- 2.3 This report summarises the progress made by IMPACT Scotland to deliver Edinburgh's new concert hall, the Dunard Centre. It outlines the context and deadlines of the project as part of the Edinburgh and South East Scotland City Region Deal (ESES CRD) funding package. The report seeks delegated authority for the Executive Director of Place to enter into a funding agreement with IMPACT Scotland.

3. Background

- 3.1 The ESES CRD, signed in 2018, covers the City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian local authorities. The Deal sets out a vision that builds on the city region's strengths to deliver transformational programmes and projects across five themes: innovation, skills, transport, culture and housing and aims to deliver a step-change in inclusive growth to benefit the city region, Scotland and the United Kingdom.

- 3.2 The Deal confirms that the UK and Scottish Governments will invest £600m into the city region over the next 15 years. Alongside partners, comprising the six member authorities, the city region's universities and colleges, and the private and third sectors, £1.3bn of investment will be delivered.
- 3.3 ESESCRD updates are reported annually to the Council's Policy and Sustainability Committee. The last City Region Deal Annual Report for 2020/2021 provided updates on the Dunard Centre and was reported to the Policy and Sustainability Committee on [5 October 2021](#) as agenda item 7.13.
- 3.4 The Dunard Centre, overseen by IMPACT Scotland, is an integral part of the ESESCRD – "The Scottish Government and UK Government will provide up to £10m each (up to a maximum of £20m), and the City of Edinburgh Council will provide £5m of capital funding to support the delivery of the new IMPACT Centre, a concert hall and performance venue, that will reinforce Edinburgh's position as a pre-eminent Festival City." IMPACT Scotland is a charity registered in Scotland.
- 3.5 Delayed due an appeal against the original planning application and subsequent mediation process, the project has been rescoped and a revised planning application has been submitted and approval granted at the Development Management Sub-Committee on the [24 November 2021](#).

4. Main report

- 4.1 The construction of The Dunard Centre is an integral part of the ESESCRD. The Centre will be immediately adjacent to a historic building on St Andrew Square, in the heart of Edinburgh, and will provide a new home for the SCO as well as the EIF. It will house a 1,000 plus seat auditorium and facilities to enable rehearsal, recital and recordings, as well as enabling community outreach and education, conferences and multi-art-form use.
- 4.2 The naming of the centre has changed since the document was agreed. Originally called The IMPACT Centre, it was subsequently agreed to rename the building The Dunard Centre in recognition of the significant sum (£35m) donated by The Dunard Fund. In addition to this £35m capital contribution, Dunard trustees have agreed to make £2m available to underwrite its initial four-year operating costs. This represents the largest ever private donation to culture, musical art and civic life. The Centre will be the first purpose-built concert hall in the city since the Usher Hall was opened in 1914.
- 4.3 The total capital funding for the project is £75m, of which £25m is committed (subject to Joint Board approval) from the ESESCRD as described in paragraph 3.4 above. As IMPACT Scotland is not a formal partner to the ESESCRD, all government funding will be paid initially to the Council (as partner responsible for the project). In addition to this, and the £35m from The Dunard Fund, a further £15m will be raised through a fund-raising campaign which is already making significant progress towards its target. Officers from the Council, the Scottish and UK Governments are

comfortable that the majority financial support is now in place, alongside suitable risk governance and mitigations, to approve release of ESESCRD funds.

- 4.4 A copy of the revised business case is attached as Appendix 1. At the time of writing this report, the business case is being reviewed by officers from the Scottish Government, UK Government and City of Edinburgh Council through the ESESCRD committee schedule. Advance discussion with the ESESCR Directors' Group demonstrated support for the project and, subject to some minor revisions to the business case relating to Community Wealth building and education outreach activities, their recommendation that the business case should be approved by the ESESCR Joint Committee at its meeting on the 4 March 2022.
- 4.5 A Working Group, chaired by Karl Chapman, Head of Heritage, Cultural Venues and Museums and Galleries at the Council, has continued to meet to ensure that the project remained on track to meet the schedule of the ESESCRD partners, and to identify and manage risks. Alongside Council officers, the Working Group also comprises relevant Scottish Government and UK Government officials and Dunard colleagues.
- 4.6 IMPACT Scotland has engaged in discussions with the Working Group and has satisfied the three public sector funding partners on issues such as construction delays, tram work impacts, planning risks, project governance and contractor procurement.
- 4.7 A 2018 version of this Business Case was approved by the ESESCRD Joint Committee in 2019. That Business Case was based on a previous design for the Dunard Centre which received planning consent in the Autumn of 2019 but was subsequently the subject of a petition for a Judicial Review by Nuveen NR, the developers of the St James Quarter. Following a mediation process, IMPACT Scotland agreed to submit a revised design for the Centre.
- 4.8 At the time of writing this report the planning application is still within the timeframe for further appeals to be made and a verbal update will be provided to the Committee as the deadline for appeals will by then have expired.
- 4.9 The 2021 business case includes updates to reflect the revised design and outcomes. IMPACT Scotland undertook an exercise, documented in the revised Business Case, to re-examine the realistic design options as a result of the mediation process. These options included looking at other sites, either in Edinburgh or elsewhere in the region, building a smaller auditorium to allow the inclusion of spaces in the original design, or procuring off-site facilities for SCO rehearsals to free up performance days.
- 4.10 The outcome was to protect the full-scale auditorium and maintain the core original commitment being the home for the SCO. This outcome was the result of a detailed Cost Benefit Analysis that ranked long and shortlisted options against a range of criteria including employment and GVA terms, delivery risk and timescales and life carbon costs.
- 4.11 The key change to the original design is the loss of the second space, a 200-capacity rehearsal and performance area. The revised business case documents the process

of resolving the planning issue, and the outcome reached. Aside from the Cost Benefit Analysis which provides practical justification for this, keeping the main auditorium as the central focus of the new centre achieves a number of other objectives:

- 4.11.1 It protects the original objective of creating a 21st Century home for the SCO (Edinburgh's only nationally funded arts organisation);
 - 4.11.2 It allows for world class facility to be built in the heart of the city for the EIF and other promoters and partners; and
 - 4.11.3 The space becomes more efficient in maximising its use, the main auditorium working harder throughout the year to house performance, rehearsal and education work, with staff accommodation moving in to the 35 St Andrew Square building.
- 4.12 Two public consultation exercises were undertaken in 2018 and 2019 which evidence strong public support for the project. In addition, a partner consultation was conducted in 2020 and 2021 involving cultural stakeholders, planning and heritage bodies, community council, residential and commercial neighbours.
- 4.13 IMPACT Scotland is now ready to begin the construction programme and funding approval is required by the end of the 2021/2022 financial year to enable the schedule of works to commence. There is already £5m in the Council's capital programme, which has been earmarked for this project. The ESESCRD Joint Committee will, on the 4 March 2021, consider the business case with a view to approving on behalf of the ESES regional partnership. Scottish Government and UK Government have both confirmed that they are satisfied with the revised business case and have given approval for their capital funding of £10m each to be used in line with the project's financial profile. These approvals are subject to the agreement of the revised business case by this Committee, the ESESCRD Joint Committee and confirmation of no further appeals lodged against the revised planning application. As mentioned at paragraph 4.8 above, the period for appealing the planning decision will have expired ahead of this Committee meeting.
- 4.14 The ESESCR Transport Appraisal Panel considered and approved the relevant project design proposals relating to the siting of the Dunard Centre and its impact on local transport and travel at its meeting on the 24 January 2022.

5. Next Steps

- 5.1 The ESESCRD Annual Report in October 2021 included the key priorities for the year ahead. This included confirmation of the intention to bring forward the business case for the Dunard Centre to the Joint Committee in March 2022 (reference copied below):

Mar 22	Joint Committee meeting where the following items will be considered: <ul style="list-style-type: none">• Dunard Centre Revised Business Case
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- 5.2 Subject to approval of the report recommendations, Council officers will progress with the actions required to enter into a funding agreement with IMPACT Scotland for the development of the Centre.

6. Financial impact

- 6.1 On [22 February 2018](#), the Council approved a capital contribution for IMPACT (International Music and Performing Arts Charitable Trust) of £5m. This continues to be included in the Council's Sustainable Capital Budget Strategy, as reported to Committee on [4 February 2022](#).
- 6.2 This report recommends the award of £25m of public sector grant funding, which comprises the £5m set aside in the Council's Capital Budget Strategy and £20m from the UK and Scottish Government contributions to the ESESCRD.
- 6.3 Loans charges associated with the Council's contribution over a 30-year period would be a principal amount of £5m and interest of £4m, resulting in a total cost of £9m based on an assumed loans fund interest rate of 4.2%. This represents an annual cost of £0.3m to be met from the corporate loans charge budget. Borrowing will be carried out in accordance with the Council's Treasury Management Strategy.
- 6.4 The costs of operating and maintaining The Dunard Centre will be the responsibility of IMPACT Scotland and no revenue funding will be required from future Council budgets.

7. Stakeholder/Community Impact

- 7.1 Inclusion and sustainability are key drivers for the ESESCRD, and strategic added value scores have been included for each project. Business cases for projects included demonstrate how they will reduce inequalities and tackle the inclusion challenges specific to the city region.
- 7.2 The [City Region Deal Benefits Realisation Plan \(BRP\)](#) was approved by the City Region Deal Joint Committee on 4 September 2020. This incorporates indicators that align with the Scottish Government's Inclusive Growth Framework. The impact on equalities, human rights and sustainability will also be measured. A BRP Implementation Plan is currently being developed, with input from key stakeholder groups within and outwith the ESESCRD Governance structure, including a range of representatives from other Scottish City Region and Growth Deals and Scottish and UK Government Departments. As part of this, a viability study, to enhance the monitoring, evaluation and on-going management of the outcomes and impacts of the Deal, is being conducted.
- 7.3 In August 2021, Scottish and UK Government provided joint guidance for project owners on managing potential carbon emissions associated with Scottish City Region and Regional Growth Deal projects. It accords with HM Treasury Green Book requirements and supports the quantification and minimisation of whole life

carbon and the identification of potential barriers to achieving net zero. The approach to Carbon Management is outlined on page 16 of the Summary Business Case.

8. Background reading/external references

- 8.1 [City Region Deal Document \(August 2018\)](#)
- 8.2 [Previous Joint Committee Papers and webcast link](#)

9. Appendices

- 9.1 Appendix 1 – The Dunard Centre Summary of Business Case 2021

The Dunard Centre

SUMMARY OF FINAL BUSINESS CASE 2021

The creation of a new world-class performance venue in Edinburgh with a 1,000 seat auditorium delivering performance, rehearsal and recording space alongside educational and outreach programmes to inspire and support both young and old.

A showcase for music of all kinds, the Dunard Centre will be the home for the internationally acclaimed Scottish Chamber Orchestra, a world-class space for the Edinburgh International Festival and a year-round bustling arts destination for performance, audiences and the wider community.



Introduction

For the first time in 100 years, a new centre for music and performance is being created in Edinburgh. The Dunard Centre will stage every kind of music and so meet the city's long-recognised need for a purpose-built, mid-sized music and performance venue. One of the boldest ventures in the city's recent past, the hall's acoustic quality and audience experience will match the best in Europe and so will further build the city's standing as one of the world's great cultural capitals.

Situated in the heart of Edinburgh's New Town, the Centre places culture at the heart of the city's development. It will be a catalyst for new creative and educational possibilities for Edinburgh and Scotland's artistic community and audiences and performers of all ages, backgrounds and levels of ability.

Designed by architectural and acoustic design practices recognised as amongst the best in the world, the Dunard Centre will propel the city forward. Much as the Usher Hall created the possibility of a first Edinburgh Festival and all that followed it, the Centre takes Edinburgh to a new level of performance on the world stage.

This is an initiative of great imagination and boldness: it has been made possible through a remarkable funding partnership with outstanding personal philanthropy at its heart. Dunard Fund, one of the principal philanthropic benefactors of Edinburgh's cultural life in modern times, has committed an exceptionally generous gift. This has been followed by a substantial grant from the Edinburgh and South East Scotland City Region Deal (ESES CRD) and the much-valued support of the Royal Bank of Scotland. A new charity, IMPACT Scotland, has been established to lead the development of the project and to operate the venue once it has opened.

A 2018 version of this Business Case was approved by the ESES CR Deal Joint Committee in 2019. That Business Case was based on a previous design for the Dunard Centre which received planning consent in the Autumn of 2019 but which was subsequently the subject of a petition for a Judicial Review by the developers of the St James Quarter. Following a mediation process IMPACT Scotland agreed to submit a revised design for the Centre. This Business Case updates the 2018 Case to reflect the revised design.

SUMMARY

IMPACT Scotland, a Scottish registered charity, plans to build and operate a new world-class performance venue in the heart of Edinburgh comprising a 1,000 seat auditorium delivering a wide range of performance, education and outreach programmes alongside digital and broadcasting facilities, leading to extensive public engagement. The Dunard Centre, supported by Royal Bank of Scotland, will be the new home for the internationally acclaimed Scottish Chamber Orchestra (SCO) and provide an additional premier performance space for the Edinburgh International Festival (EIF).

This will be the first new facility of its kind to be built in Edinburgh for 100 years and is the culmination of a 25-year search by the City of Edinburgh Council and the SCO for a much needed mid-sized music venue in the City. Two decades of diligent search, involving the public, private and voluntary sectors, had failed to find a site that was available, deliverable and able to be funded. The site at St Andrew Square adjacent to the Royal Bank of Scotland headquarters at Dundas House meets all of these criteria. It is an opportunity unlikely ever to be replicated.

The Dunard Centre will rival the best in Europe for acoustics and audience experience, enhancing Edinburgh's international cultural reputation, offering new opportunities for audience engagement and inclusive growth and providing a new platform for Scottish, UK and international artists. It will host a wide range of musical performance from orchestral to jazz, contemporary and folk as well as being a significant base for education, learning and outreach programmes and a welcome addition to the Edinburgh conference market.

The Dunard Centre complements the Region's existing venue infrastructure, with 21st century facilities which connect artists and audiences in new and exciting ways and supports a sustainable tourism strategy objective to develop Edinburgh's year-round offer.

Sited in St Andrew Square the Dunard Centre is ideally placed to take maximum advantage of the public transport system and will contribute to the opening up of the East End of the City complementing the revival of the St James Quarter and the Register Lanes project.

Following extensive preliminary viability studies, completed in 2016, a design team led by David Chipperfield Architects was appointed alongside world renowned acousticians, Nagata Acoustics, led by Dr Toyota.

Project managers Turner & Townsend and Cost Managers Thomson Gray have also been appointed to advise the Trustees of IMPACT Scotland. There are eight Trustees providing a wide range of expertise and experience, led by Co-Chairs Fergus Linehan (Director of the Edinburgh International Festival) and Gavin Reid (Chief Executive of the Scottish Chamber Orchestra). A small executive team brings many years of experience of cultural leadership, fundraising and cultural capital project delivery.

The site on which the new venue will be built has been provided by the Royal Bank of Scotland on a 125-year lease and will provide a linkage to their historic registered office, Dundas House, which includes one of the finest domed banking halls in the UK.

The Dunard Centre is being designed to offer the highest standards of accessibility and sustainability, with a target of delivering a carbon net zero building by 2035 or earlier.

The total capital funding requirement for the project is £75m of which £25m will come from the ESES City Region Deal and a further £35m has been pledged by the Centre's major benefactor, Dunard Fund. The remaining £15m will be raised from a fund-raising campaign which has already achieved significant progress towards this target. Two-thirds of the cost of construction of the Dunard Centre will therefore be met by private funding – an exceptionally high percentage for a major new public building.

In addition, Dunard Fund has provided its funds ahead of City Deal support and has committed up to £2million to underwrite any annual deficits of the Centre in the year before opening and the first three years of trading. Thereafter the Centre is projected to break even through fundraising and other earned income. There will, therefore, be no further call on public funds for this project.

A revised financial and operational business plan prepared by Nick Dodds and John Mortlock of Festival and Events International Ltd (FEI) was approved by IMPACT Scotland Trustees in April 2021 and updated in Nov 2021. The Plan draws on latest architect plans for the revised design and provides a financial template through which different programming and operational options can be tested as detailed plans for the venue are developed.

Extensive engagement with a wide range of interested parties and two public consultations have taken place. Support for the project is widespread. Discussions with existing venues have confirmed that the Centre will be complementary to and enhance existing provision, offering new opportunities for live music-making and city-wide collaborations. Partnership working will be key in delivering the artistic and outreach programme; the approach to shaping it will be developed alongside the city region and the sector.

As outlined in the original ESECR Deal document a project group formed of IMPACT Scotland and the key stakeholders (CEC and the Scottish and UK Governments) has met regularly to monitor the progress of the capital development and ensure that the project is delivered according to the business plan following sign off of the City Region Deal. The group will evolve into a Board whose remit will be to expand to review the focus for collaborative opportunities across the city region that the Dunard Centre creates, and to oversee the cultural planning for music throughout the city region to ensure that music provision is delivered to reach existing and new audiences across all musical genres.

Partnership discussions are also underway with the Royal High School Preservation Trust, which is developing the old Royal High School on Calton Hill as the National Centre for Music. Likely areas of collaboration include music education and outreach and workshops for music school and wider community participants provided by Dunard Centre visiting artists.

Over the remaining period of the Edinburgh and South East Scotland City Region deal (to 2033) the proposal is projected to generate a total net economic impact in the region of £69 million (gross value added) at a resulting public sector cost benefit ratio of 1:2.96.

Development of Business Case

Significant work was undertaken in progressing the Centre proposals with various plans and background studies provided to City of Edinburgh Council and respective Scottish and UK Government representatives for the previous design of the scheme in 2018. This work has subsequently been updated, summarising the rationale - and implementation and operational plans - for the Dunard Centre and the resultant wider economic and social benefits that will be generated.

Strategic Context

As reflected in previous reviews of cultural provision in the City, and wider City Region, there has been a long-term unmet market need for a new mid-scale music venue in Edinburgh. These reviews include: The City of Edinburgh Council's 2006 Review of Music Provision¹; the 2009 Cultural Venues Study²; the EKOS Music Sector Study of 2014³; the 2015 Thundering Hooves 2.0 study⁴; and, audience research by SCO in 2011, 2012 and 2013 which highlighted that only 44.4% of respondents believed that current venues were of a high quality. As a result, several promoters reported that many artists choose not to perform in Edinburgh due to the lack of appropriate facilities⁵.

Organisational Context

The opportunity to address this long term need arose in 2015 with the potential availability of the Royal Bank of Scotland (RBS) site at St Andrews Square in the centre of Edinburgh. During 2015 and 2016 work was undertaken by the steering group of the project, known as the Project Board, to validate the key questions of affordability, site space sufficiency and operational viability. This involved the commissioning of Architects, Allies & Morrison, who produced a costed Masterplan which satisfactorily addressed the questions of affordability and site space sufficiency and set the brief for the subsequent tendering process for the appointment of an Architect led Design Team.

In April 2016, a charitable trust was formed: the International Music and Performing Arts Charitable Trust Scotland (known as IMPACT Scotland) to undertake the building of the Centre and to operate it after completion.

In May 2017 a Design Team was appointed by the Trust led by David Chipperfield Architects with acoustic consultants, Nagata Acoustics and Turner & Townsend (as project managers and cost consultants). In 2020 this latter contract was re-visited with Turner and Townsend retained as project managers and Thompson Gray appointed as cost consultants.

¹ http://www.edinburgh.gov.uk/download/meetings/id/13977/mid-scale_music_venue_review

² http://www.edinburgh.gov.uk/download/downloads/id/4174/city_cultural_venues_study.pdf

³ Which highlighted: *"There is however a particular issue around a mid-scale venue for Edinburgh. In comparison with Glasgow, the capital city is very limited for year-round promotion of high quality music at the mid-scale, despite the Festival Fringe's imaginative use of all manner of spaces in the summer. The Usher Hall, although it has been receiving acclaim for its programme, is generally too big - and its layout prevents the intimacy with the audience the repertoire requires - for the entire spectrum of music that will attract audiences of between 300 and 900".* Music Sector Review: Final Report for Creative Scotland March 2014, EKOS Limited.

⁴ <https://www.edinburghfestivalcity.com/about/thundering-hooves> (which identified, as a key action, the promotion of new thinking around development and refurbishment of venues and specifically that: *"The Festivals Forum should consider supporting proposals for new venues including a new Concert Hall"*).

⁵ Which has a knock on effect in terms of indigenous promoters as emphasised in the EKOS report: *"Scotland is well-served in general by the range and geographical scope of music promoters - and the venue stock is generally good. The breadth of provision for audiences, however, is limited in some areas - especially the minority interests such as contemporary classical and world music and jazz - in which the lack of promoters was particularly noted"*.

In parallel to the above and to assess further the viability of the Centre at the St Andrews Square site two public consultations were held the first on 7th November 2017 and the second on 15th March 2018. Each event attracted over one hundred attendees and evidenced – through questionnaires – widespread support for the Centre proposals⁶. Further consultation was undertaken as the revised design was developed in 2020/21. A highly experienced arts consultant, Graham Devlin, was also commissioned to research the rationale and demand for the Centre.

The first iteration of the design received planning consent and listed building consents from the City of Edinburgh Council in May 2019. These decisions were the subject of a petition for judicial review from the developers of the St James Quarter. The parties engaged in a process of mediation and agreement was reached on how to address the matters at dispute in January 2020. IMPACT Scotland agreed to re-design the concert hall and submit a revised planning application. The principal change to the original design is the omission of a 200 seat studio in the basement, resulting in reduced height and basement volume.

The financial viability of the new design was assessed in April/May 2021 by leading cultural experts Nick Dodds and John Mortlock of Festival and Events International (FEI) who have extensive experience of producing financial business plans for venues. Their work included the development of a flexible financial template for the venue which will be used to assess the financial impact of a range of different programme models as creative plans for the venue are developed and refined.

The revised design was submitted to the City of Edinburgh Council for planning determination in August 2021 and received planning consent in November 2021.

The revised project retains the seating capacity and the world class acoustic quality and audience experience which is at the heart of the project, whilst delivering a highly efficient and flexible venue which allows for a wide range of different uses and rapid turn-arounds. The redesign process has enabled IMPACT to devise new ways of operating, and when compared to the initial proposed design enables more intensive and efficient use of the spaces created and innovative integration with outreach activities throughout the city and beyond, both physically and digitally. The redesign of the auditorium delivers more seats with excellent sightlines whilst the building itself, being reduced in scale, will be more efficient in both construction and operation.

Current Proposals

The Dunard Centre will be built on the site immediately to the rear of and adjacent to the registered office of RBS, Dundas House at 36 St Andrew Square. RBS has agreed to grant IMPACT Scotland a 125 year ground lease at a nominal rent. In addition Dunard Fund has purchased the building at 35 St Andrew Square and will lease it to IMPACT Scotland to house the administration of IMPACT and the SCO and as well as providing facilities for other arts organisations. The use of number 35 as administration offices means that there is no need to include such offices within the new building thereby utilising all space in that building for performance purposes.

The current proposals for the new building envisage the creation of a 1,000-seat concert hall for public performances, rehearsal and the delivery of a wide range of education programmes and a resource for extensive public engagement. As a result the Centre will:

⁶ With between 95% (event two) and 98% (event one) supporting the idea of a new international music and performance venue to be located in central Edinburgh.

- be Edinburgh's first new performance venue in 100 years, complementing and enhancing the Region's existing venue infrastructure with 21st century facilities;
- rival the best facilities in Europe for acoustics and audience experience;
- be a thrilling home for all kinds of musical performance – from orchestral to jazz and folk – welcoming chamber groups, soloists, and choirs;
- help to maintain Edinburgh's position as an International Festival City and leading centre for music and the performing arts;
- support a sustainable tourism strategy by developing Edinburgh's year-round offer;
- deliver an exemplar public building offering the highest standards of accessibility and sustainability, with an aspirational target date of 2030 for delivering a carbon net zero building;
- be an exceptionally well-located venue with (in): easy walking distance from Waverley Station; immediate access to local and national bus services and adjacent to tram stops which connect to Edinburgh's international airport; and, excellent access for audiences from both the City of Edinburgh and surrounding regions; and,
- on the basis of the above, has the potential to attract (and sustainably operate at) audience and visitor levels for performances, conferences and other events of approximately 200,000 a year.
- Over the remaining period of the Deal (until 2033) the current proposals will generate around £69million GVA at a resulting public sector cost benefit ratio of 1:2.96.

Consequently, the Centre will provide:

- an exciting new home for the SCO, one of the Scottish Government's national performing companies, with the opportunity for the SCO to reach out and build new audiences across the City Region and beyond;
- a much-needed high quality, mid-sized performance venue which will attract artists and touring companies, many of whom do not currently include Edinburgh in their plans due to a lack of suitable facilities;
- a principal, all-day performance venue each August for the Edinburgh International Festival (EIF): the world's leading arts festival;
- educational facilities and digital technology that will all be transformational for artists and audiences;
- creative learning and participatory opportunities, releasing individual potential and enabling residents, as well as visitors, to share in the City's remarkable artistic achievements;
- an excellent opportunity to build new audiences and enhance health and wellbeing across age groups, programming a wide range of music as well as other forms of entertainment;

- improved performance space for arts companies from Edinburgh and further afield; and,
- a year round vibrant and busy focal point complementing the opening up of the East End of the New Town at the revived St. James Quarter.

Alignment with Inclusive Growth Policy

All of the Edinburgh and South East Scotland City Region Deal partners recognise the importance of ensuring that inclusive growth ambitions are embedded in their plans and respond to the particular challenges faced across the region. To address these challenges five themes have been identified⁷ by the partners of which two are pertinent to the current proposals namely: *“a significant programme of construction”*; and, *“social benefit through innovation”*.

In regard to the former theme the Trust will (in the construction and subsequent operating phase of the Centre) use (agreed) City Deal procurement Community Benefit clauses (to support inclusive employment practices and other opportunities to meet inclusive growth targets).⁸

In respect of the latter theme (social benefit through innovation⁹) consideration – throughout the development of the Centre proposals - has been given to how the project can make a positive contribution to inclusive growth by influencing and supporting the cultural sector in building audiences that reflect the true, diverse nature of society.

Through the delivery of a wide ranging educational and community programme the Centre will develop opportunities - with a range of City Deal and other partners - to involve those socio-economic groups currently under-represented as participants and (in) audiences. A key aspect of this programme will be to engage people through lifelong learning, from the very youngest to the elderly, addressing the needs of all through different stages of life. A pre-opening creative programme of events and activities will lay the groundwork for these partnerships.

The award of the tender to redevelop the Old Royal High School site into a National Centre for Music opens up further opportunities for engagement with young people with both organisations committed to developing a meaningful partnership; the close geographic proximity of the two venues enhances these opportunities.

The important ambitions outlined above - for education, learning, inclusiveness and outreach - are, to a large extent, exemplified by the experience of the RSNO in Glasgow that moved in 2015 to a new custom built rehearsal hall. Similar to the Dunard Centre these new facilities allowed the RSNO to embark on a series of initiatives - which had not been possible in their previous accommodation - resulting in their new venue attracting some 30,000 additional

⁷ Namely: ***“Accelerating Inclusive Growth, Removing the Physical Barriers to Growth, A significant programme of Construction, Targeted skills interventions; and, Social benefit through innovation”***. [Our Approach to Ensuring Inclusive Growth, City Deal PMO, City of Edinburgh Council, 2018.](#)

⁸ i.e. *“Delivering community benefits through procurement by integrating partner approaches to supplier engagement and procurement in order to increase the value achieved from Deal investments.”*
<https://democracy.edinburgh.gov.uk/documents/s25995/5.3%20Benefits%20Realisation%20Plan%20with%20appendices.pdf>

⁹ *“Recognising the potential presented by a significant investment in DDI, opportunities to drive out challenged-based social benefit across the region, over the medium and long term, will be explored”.*

people per year many of whom had not been engaged previously with the RSNO.¹⁰ In addition, new digital facilities have also greatly increased the RSNO's ability to reach out to wider audiences and retain contact with further flung communities in Scotland.

It is envisaged that such initiatives will be replicated and enhanced by the creation of the Dunard Centre. Activities will be run by performing companies (i.e., the SCO, EIF etc.) supported by IMPACT through the appointment of a full-time education officer and the provision of space for educational outreach activities.

There is significant potential for digital content creation and distribution opportunities at Dunard Centre. The required infrastructure is being designed in to ensure that this is a 21st century hall which can support live recording and broadcast. As a sector we have an understanding of opportunities to increase reach and develop audiences that digital content offers, and the shift to online that COVID and lockdowns necessitated has fast-tracked the availability of audience insight. Opportunities will be developed in three key areas; i) recording and distribution ii) live recording and broadcast iii) creative commercial partnerships and IP creation. The Trust will work with partners, including at SCO and EIF, and also in the commercial sectors, to deliver innovative practice in its approach to this area of work.

Project Benefits

The creation of a world class performance venue in the heart of Edinburgh – attracting around 200,000 attendees per year when the venue is fully operational - will generate a range of benefits to the City Region including:

- 31 direct on site cultural sector jobs; and,
- A total impact of 219 jobs and £8.9 million gross GVA per annum.
- performer spend within the City Region economy through the attraction of new UK and international touring companies;
- additional knock on employment gains to the City Region transport, hotel and tourism sectors;
- low cost usage of the venue for educational purposes;
- the inclusion of state of the art digital facilities to allow innovative public service delivery, collaborative digital music opportunities, recordings, and online streaming of performances nationally and internationally;
- a premium new venue for conferencing and business events; and
- a programme and associated educational and community activities which engage with people from the very youngest to the elderly, addressing the needs of all through different stages of life, supporting individual and community resilience and delivering significant health and wellbeing benefits.

¹⁰ www.rsno.org.uk/engage

Constraints

This business case has been prepared under various key constraints:

- the potential funding profile and envelope likely to be set through any final City Region Deal Heads of Terms;
- the location and size of existing site facilities and lack of any potential (under planning regulations) to expand the current footprint; and,
- a requirement that the Dunard Centre becomes self-financing over the longer term to satisfy both funder requirements and charitable obligations to seek to maintain appropriate reserves

Dependencies

The future success of the Centre will depend on:

- engaging with promoters and attracting performers to the Centre;
- creative partnerships with SCO and EIF programme and associated marketing programme;
- attracting and maintaining audience levels at a financially sustainable level; and,
- City Deal centralised programme-level support for delivery of schools and other relevant outreach activities.

Theory of Change

A Theory of Change was developed - as set out in Figure One overleaf - to determine the range of potential impacts that might be realised from building and operating the Dunard Centre and the “success factors” (in terms of inputs, activities and market interactions with potential beneficiaries) required to deliver these impacts.

As illustrated, the proposed activities at the Dunard Centre will deliver a range of economic and social benefits, including:

- **Sustained employment** at the venue given: a year round music programme; a new home for the Scottish Chamber Orchestra (SCO); an additional venue for the Edinburgh International Festival; and, state of the art digital activities (allowing for multi-location collaborations and distribution);
- **Additional promoter spend** in the Region and Scotland as a result of the Centre attracting artists that currently chose not to perform in Edinburgh due to the lack of appropriate facilities;
- **Uplift in visitors** who, while attending Centre performances, will generate off site expenditure that will benefit the local and regional tourism and culture sectors;
- **Uplift in conference and event attendees** who will also generate off site expenditure which, in turn, will benefit the same sectors as above; and,

- **Increased educational and well-being outcomes** through a range of engagement and outreach programmes at the Centre and in regional education and community settings.

Figure One: Dunard Centre Theory of Change

Strategic Context	Inputs	Activities	Beneficiaries	Short Term Impacts (Pre-Opening)	Medium Term Impacts (first two/three Years)	Long Term Impacts (Post three years)
<p>Situation</p> <p>The availability of RBS St Andrew Square site offers the opportunity to create a sustainable city centre cultural facility which will:</p> <p>Meet the identified long term need for mid -scale music venue in Edinburgh;</p> <p>Attract promoters and (non-classical) artists that currently chose not to perform in Edinburgh due to lack of appropriate facilities;</p> <p>Provide a competitive 21st Century venue with built in digital infrastructure (tailored to the music and wider events sector needs);</p> <p>Ensure the SCO has an appropriate base.</p> <p>Alignment</p> <p>EIF needs a world class venue to present artists and repertoire and maintain a competitive position</p> <p>Sustainable tourism strategy objective to develop Edinburgh's year round cultural offer</p> <p>Development of National Centre for Music at the Old Royal High School offers education and programming partnership opportunities</p> <p>Economic, environmental, social and cultural benefits</p>	<p>Investment</p> <p>Dunard Fund</p> <p>ESES City Regional Deal</p> <p>Funding support from major philanthropists (secured and on-going)</p> <p>Partnerships</p> <p>Scottish Chamber Orchestra</p> <p>Edinburgh International Festival</p> <p>RBS</p> <p>Programming partners</p> <p>ESES CRD Region Education & other outreach partners</p>	<p>Year round music programme and new home for SCO/ venue for EIF with digital activities allowing for multi-location collaborations and distribution</p>	<p>DUNARD</p> <p>Direct: DUNARD Staff.</p> <p>Indirect : DUNARD Supply chain and other beneficiaries effects identified below</p>	<p>Construction employment & apprenticeship opportunities and wider community benefits</p> <p>Pre-opening programme of staffing & events</p> <p>Additional donations</p>	<p>Direct creative, technical and Front of House employment at venue</p> <p>Transformational new programming strands for SCO & EIF</p> <p>Additional world - class performances in Edinburgh</p>	<p>Long term sustained employment</p> <p>East End of Edinburgh established as new cultural quarter</p>
		<p>Above will attract new promoters and performers to Edinburgh, the Region and potentially Scotland that in turn will generate further knock on economic and cultural benefits</p>	<p>PROMOTERS</p> <p>Promoters and artists (and knock on regional benefits to culture and tourism sectors)</p>	<p>Developed partnerships with creative sector/ music- through awareness raising & programme development & a tested and refined artistic proposition</p>	<p>Dunard established offer for live performance/ experience</p>	<p>Leading artists, across all genres, see Edinburgh as an important destination to perform.</p>
		<p>Uplift in audiences will also generate off site expenditure (from domestic visitors and foreign tourists) that will benefit the local and regional tourism and culture sectors</p>	<p>PERFORMANCE AUDIENCES</p> <p>New audiences to Edinburgh and ESES Region (and consequently the wider tourism and cultural sector)</p>	<p>Developed relationships with audiences (residents and tourists) through awareness raising and audience development</p>	<p>Additional high quality / high value tourism to the City Region</p>	<p>Increase in high quality/high value tourism (recreational) to City Region</p>
		<p>Uplift in conference and event attendees will also generate off site expenditure (from domestic and foreign business tourists) that will benefit the above sectors</p>	<p>CONFERENCEE AND EVENT ATTENDEES</p> <p>New attendees to Edinburgh and ESES Region (and consequently the wider tourism and cultural sector)</p>	<p>Developed partnerships with others working in digital events sector/ conference sector</p>	<p>Dunard established offer for integrated digital and live events/ conference experience</p>	<p>ESESCR established as centre for innovative digital events and conferences increasing business tourism to City Region</p>
		<p>Range of partnerships to secure wider engagement and outreach programmes at the Centre and in regional education and community settings</p>	<p>EDUCATION SECTOR AND COMMUNITY GROUPS</p> <p>New engagement off and on site with associated cultural and well-being uplifts</p>	<p>Developed partnerships with local education providers and community groups through ESES CRD partners</p>	<p>A positive contribution to inclusive growth by influencing and supporting the culture sector in building audiences that reflect the diverse society in which we live</p>	<p>More people from more diverse backgrounds engaging and participating in cultural activities in Edinburgh and Scotland</p>

As a result of the above, it is anticipated that the Dunard Centre proposals will generate a range of direct and indirect economic impacts in relation to:

- **Centre operations:** through the Gross Value Added (GVA) generated from the employment of on-site Centre staff - in delivering the all year round programme of music, conference, events and outreach activities proposed - and associated indirect and multiplier effects across the Region and Scotland as a whole;
- **Promoter activities:** through the engagement of Regional and Scottish suppliers, will also result in the creation of additional GVA and Scottish tourism and cultural sector staff posts;
- **Visitor expenditure:** it is anticipated that, because of the Centre, more domestic visitors and foreign tourists are likely to be attracted to Edinburgh with the consequent GVA and employment benefits to the City and beyond of their (off-Centre) expenditure on accommodation, meals and other related activities; and,
- **Conference attendee expenditure:** as per the visitors above, it also is anticipated that more domestic and foreign business visitors will come to Edinburgh to attend Centre Conferences which again will generate off site GVA and employment benefits.

In addition to the above it is important to recognise the various community, education and well-being impacts that are also likely to be generated by the construction and operation of the Centre.

In the former case – as reflected by the ESES City Regional Deal Benefits Realisation Plan – the Dunard Centre management will work with ESESCRD Partners (including the Capital Centre Partnership¹¹) to maximise Community Benefits during the Centre’s construction.

In the latter (operational phase) the Centre will deliver a wide range of educational and community programmes – again with a range of City Deal and other partners - to involve those socio-economic groups currently under-represented as participants and (in) audiences.

City Region Partners concluded Heads of Terms with the UK and Scottish Governments for an overall City Region Deal in July 2017 and signed a full “Deal Document” in August 2018¹². Both documents provided financial parameters within which the capital development of the Dunard Centre could be progressed by setting the City Regional Deal contribution at a total of £25 million. An additional investment of £35 million has been secured from the Dunard Fund and a further £15 million will be secured through an on-going fund raising campaign. The total capital available to take forward the Centre will therefore be £75 million.

Preferred Option

As summarised, in Table two below, based on the analysis undertaken – of long listing, short listing and appraising the economic costs, benefits, risks and carbon costs of each short listed options – the recommended option (to taking forward and delivering the strategic objectives of investing in the Dunard Centre) is the current proposed approach.

¹¹ Who have set up an **online community benefits portal** : *“matching communities and good causes with suppliers and business in the ESES City Region Deal area”* at [Homepage \(esescommunities.org\)](http://www.esescommunities.org)

¹² Both documents are accessible via: <http://www.acceleratinggrowth.org.uk/>

Table two: Summary of appraisal results

Results	Smaller Auditorium	Alternative Rehearsal Space	Current Proposals
Qualitative Short-Listing	2 nd	3 rd	1 st
NPV Public Sector Costs	£23.28m	£23.28m	£23.28m
NPV Benefits	£48.91m	£75.91m	£70.51m
BCR	2.1	3.26	3.03
Risk adjusted BCR	1.58	2.54	3.03
Carbon Cost adjusted GVA	£33.96m	£54.03m	£68.81m
Carbon adjusted BCR	1.46	2.32	2.96
Overall Ranking	3rd	2nd	1st

Benefits Realisation

The Dunard Centre has worked with the ESES CRD PMO over the last two years to agree the approach the Centre will undertake to monitor and evaluate the outputs and impacts detailed in this economic case.

As part of this process the Dunard Centre PMO developed, as have all ESES CRD projects, a monitoring and reporting pro forma that describes how outputs and related impacts and positive actions will be captured, by considering:

- Baseline information in regard to theme beneficiaries;
- Key impact indicators which best represent the likely benefits of theme activities and could be used in comparison to the above baselines in order to monitor progress and consequently be utilised in any future impact evaluation;
- Data Source(s); either existing or new data points that would directly or indirectly best capture the above indicators;
- Monitoring Cycle; when it is best practical to report progress given the different short, medium and long term time horizons relating to outcome/impact effects; and,
- Impact Approach; in terms of the type of methods that could be adopted to evaluate the net impacts generated by theme activities and outcomes.



Carbon Management

The Dunard Centre has been designed for a low carbon future with sustainability through reduction of the use of fossil fuel and embodied carbon as key design principals. The Dunard Centre's city centre location and excellent transport links provide maximum opportunities for public transport and minimise the need to for car usage. The building itself has been designed with passive design principals embedded through enhanced building thermal performance and low building air tightness. The building's heating and cooling source is a high efficiency revisable heat pump solution using electricity which achieves compliance with Section 6 of the Technical Standards with a Silver Active sustainability certification achieved. Embodied carbon is also a key consideration an analysis of embodied carbon has been undertaken through the design process to track performance and ensure that the material choices consider the carbon impact within the decision- making process.

The Dunard Centre will see an initial capital carbon increase with the potential to be net zero carbon operationally (category 3B). The intention is to move to a net zero carbon system once the technology becomes available that allows the Dunard Centre to apply an alternative system for hot water generation, likely to be an all-electric solution. Whilst this is unlikely to be achievable on opening due to the particular hot water requirements of a performance venue, the aspirational target date for delivering a net zero carbon operation is 2030, in accordance with the City of Edinburgh Council's ambitious Climate Emergency net zero target.

The current hot water strategy based on gas fired water heaters has been selected given the high peak demand for hot water during concerts in the building when a large number of the occupants will use toilets during intervals and at the start and end of performances. The solution proposed allows for this instantaneous demand to be achieved for these short periods. Potential electrified solutions for hot water have been discounted at present due to availability of additional electrical infrastructure, suitable plant space to locate equipment and their ability to react to the high peak demand. On top of this running costs for electrified hot water solutions would be detrimental to the commercial viability for running cost at this stage given that electricity is around 4 times more expensive than gas.

Although the gas based hot water solution is the right one for the project at present it is our aspiration to look to remove gas based hot water during the lifespan of the water heaters and move to an electrified solution. This solution would be based on an understanding of the actual profile of electricity usage of the building over a number of years of operation (which may result in additional electrical capacity being realised given our design at this stage is based on a worst case scenario). The assessment of this will consider both carbon and running costs.

Operating model

The basis of the operating model is that IMPACT will lease space in the auditorium and other areas for use by promoters/performers in addition to promoting some events directly. The balance of own promotions and external hires is aimed at minimizing risks to the Charity. It is envisaged that catering facilities will be franchised. This model reduces risk and allows greater flexibility for performances and catering requirements. The Chief Executive/Creative Programmer will oversee the letting of space and the choice of performances ensuring variety and engagement with all genres of music. Work on engaging with potential promoters/performers was undertaken by a programme consultant in 2019 and then paused; this work will re-start in 2022, well ahead of the opening date for the venue.

Learning, education and outreach programmes lie at the heart of IMPACT's ambitions and these programmes will be developed and run through a partnership between the performing

companies and IMPACT, with the financial business plan including a full time Learning and Education Manager with dedicated budget to work with the companies.

Finally the appointment of a powerful and experienced senior management team is critical to the success of the Centre and the search for the right people will commence at least 2 years prior to opening with some appointments being made 18-24 months before the Centre launch.

Financial Summary



Capital:

As indicated in the table below the total funding requirement is £75m of which:

- a total of £25m is anticipated to come from the City Deal;
- a further £35m has been pledged by the Dunard Fund; and,
- the remaining £15m (of which a significant proportion is already pledged) will be raised from a fundraising campaign led by an experienced Development Director.

DUNARD CENTRE FUNDING PROFILE									
Funding provider	Total £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	
<u>Capital</u>									
Governments	20,000	0	3,141	5,000	6,000	3,000	2,859	0	
CEC	5,000	0	0	0		5,000	0	0	
Private sector	49,928	1,238	0	3,494	21,686	19,007	3,504	999	
Total funding	74,928	1,238	3,141	8,494	27,686	27,007	6,363	999	

Private sector = Dunard Fund and other fundraising.

In addition to a £35m pledge towards the capital cost the Dunard Fund has also:

- provided funds ahead of monies received from the public sector; and,
- committed to underwriting pre-opening operational costs and annual deficits of the Centre in the first 3 years of trading (of up to £2m in total).

RBS has agreed to grant IMPACT Scotland a 125 year lease on the site at a nominal rent in return for which, RBS has name association rights over the venue. The *provisional* name chosen for the venue is ***Dunard Centre supported by the Royal Bank of Scotland***.

A detailed programme for the whole project has been prepared by Turner & Townsend and is reviewed regularly. This programme envisages the completion of the IMPACT Centre in April 2026.

Revenue/Operational:

A financial and operational business plan prepared by Nick Dodds and John Mortlock of Festival and Events International Ltd (FEI) was approved by Trustees in April 2021 and is updated regularly. The Plan draws on latest architect plans including details of floor area, seating capacity/sightlines and circulation and ancillary hospitality spaces; consultations with stakeholder and related regional/national performing arts organisations; interviews with local and national promoters and potential hirers. It is also informed by the previous Operational Business Plan and supporting financial models from an earlier version of the proposed concert hall development (2016); the previous Business Case (2018) and initial research carried out by Graham Devlin in 2016/17. Information derived from these sources have been combined with FEI's knowledge of comparable venues and cultural organisations and supplemented where necessary by additional research in order to build an integrated financial business plan.

The audience and financial assumptions in this new plan are conservative compared with previous iterations.

The Plan is based on the following high level assumptions:

- Dunard Centre (DC) is a purpose built concert hall with world-class acoustics and sightlines, capacity for up to 1045 and a stage able to accommodate 63 musicians and 55 choristers. The venue occupies a prestigious site at St Andrew Square, Edinburgh. DC offices are located in an adjacent building (no. 35 St Andrew Square) for which a standard rental fee is paid.
- The organisation owning, managing and operating DC is IMPACT Scotland, a registered charity and company limited by guarantee. IMPACT has a wholly-owned trading subsidiary company (IMPACT Scotland Trading Ltd) in order to benefit from tax efficiency - and focused governance - regarding non primary charitable purpose trading activities. IMPACT holds a 125-year ground lease for the venue at a nominal/peppercorn rent. IMPACT has a board of unremunerated trustees which currently includes representation from strategic partners Edinburgh International Festival (EIF) and Scottish Chamber Orchestra (SCO).
- The Financial Business Plan represents income and expenditure relating to the operation of DC and includes revenue costs for a 12 month period prior to opening. It does not include depreciation/amortisation of the building asset itself, which would be accounted for in a separate restricted fund in line with Charity SORP regulations.
- DC is the 'home' venue and primary rehearsal space for the SCO, and hosts EIF performances annually for a month-long residency during the Festival.
- The organisation is registered for VAT and charges VAT on ticket sales and other supplies. As a registered charity the organisation is exempt from corporation tax on profits from its charitable activities.
- DC receives full discretionary business rates relief (in line with several other prominent cultural venues in Edinburgh).
- DC employs a permanent staff of 22 FTEs and casual staff for front of house (FOH) and (as required) for additional stage technical duties. Catering activities (a café, bars and ad hoc event catering) are undertaken by an external contractor in return for a % of revenue commission paid to DC.
- DC runs its own box office, with a varying proportion of ticket inventory being passed to third parties for sale, depending on the specific promoter/partner deal.
- DC hosts education activities from SCO and EIF and has its own Education Officer and a programme budget. It seeks to expand the outreach programme over time.
- Led by a Sponsorship and Development Manager (reporting to and supported by the Commercial Director), DC actively solicits funding from individuals, corporate entities, public sector bodies, trusts and foundations, and operates a membership scheme.

- DC presents a mix of performance events, hosting chamber orchestras, classical recitals, pop/rock/jazz/world music ensembles, and spoken word events. It is also a distinguished venue for conferences, corporate events and graduation ceremonies. DC also creates and distributes digital content and IP in partnership with venue users and provides a number of low cost community hires in the auditorium as well as activities in foyers and other spaces front of house.
- DC is open 7 days a week, 52 weeks a year apart from Christmas Day. There is a full schedule of 246 public performances and private events per year in a full year (based on 2027). A foyer café is open from 10am daily until 11pm on performance days (otherwise to 5pm). The second and third floors each include 2 FOH hospitality/event spaces which are used during the day for education events, and are available to hire as meeting venues outside performance times, as well as additional spaces for conference hires.
- Covid-19: at the time of writing it cannot be known whether the Covid-19 pandemic and its aftermath will have a medium to long term effect on audience behaviour and the way in which performance venues are permitted to operate. Accordingly it is important to understand that the financial business plan has been prepared on the basis of pre-Covid audience patterns and modes of operation. Clearly this factor will require ongoing scrutiny and oversight within the wider strategic risk management framework.
- Whilst the business model and venue are being established in the first 4 years of this plan, anticipated deficits are underwritten by the Dunard Fund. Beyond this Dunard Centre will seek to generate further commercial revenue and/or increase fundraising from other sources to achieve a break- even budget.

A wholly owned subsidiary of IMPACT Scotland was incorporated in January 2017 as IMPACT Scotland Trading Ltd and this subsidiary will be responsible for any non-charitable trading activities post completion of the building.

Risks

A thorough risk analysis of construction and operational risk has been carried out which underpins the robustness of the current plan. In particular extensive work has been carried out in the identification of risks to the building project and subsequent operation and measures have been identified to mitigate such risks. The risk register is reviewed and updated regularly with project risk considered once a month by the Capital sub-committee.

EDI

IMPACT Scotland will adopt Fair Work principles in all aspects of recruitment and contribute to the Living Wage actions plans and commitments within the region. It will provide access to digital job portals and support for recruitment and job matching to prioritized groups.