ARGYLL AND BUTE COUNCIL **POLICY AND RESOURCES COMMITTEE**

FINANCIAL SERVICES **20 AUGUST 2026**

FUNDING REQUEST FROM LOCAL ORGANISATIONS

1. EXECUTIVE SUMMARY

1.1 This report provides information on three funding requests that have been received from local organisations for Members consideration.

1.2 It is evident that some local organisations are finding it increasingly difficult to remain financially sustainable without external grant support. This reflects a combination of factors, including rising utility and staffing costs, alongside additional costs associated with meeting legislative and regulatory requirements.

1.3 Auchindrain Museum have requested additional funding between a range of £36,000 and £54,000 to allow the facility to remain open until the end of October and either retain the outside supervisor and admin officer over the winter (lower ask) or retain all staff over the winter (higher ask). Auchindrain Museum has historically received significant revenue support from Historic Environment Scotland, including organisational support funding through to March 2025. The withdrawal of that funding has materially affected the museum's financial position and has contributed to the current requirement for short-term support to allow the site to remain open and to maintain essential conservation activity.

1.4 Cowal Highland Gathering requested additional cash support of £30,000 (or underwriting if this is all that is available) to allow the event to proceed as planned, avoid the cancellation of key elements and give the organisation a realistic prospect of at least breaking even. The Board required confirmation of the funding by 23 July as they were making the final decisions on the elements of the event that could go ahead. Due to the timing of the funding request, it was accepted that it was not possible for the Council to commit to financial support prior to the Board finalising arrangements for the event. Councillor Ross Moreland has agreed to meet with the Board after the event to review the position and consider what support may be available in future. The Board was also advised that, once the final financial position for the event is known, it would be open to them to come back to the Council if the event was unable to break even.

1.5 Kilmartin Museum have request an additional £20,000 linked to their current Service Level Agreement (SLA) payment. A significant issue for the Museum relates to utility costs and the requirement to maintain appropriate environmental conditions for the care and preservation of artefacts. The Museum currently holds a number of artefacts from Campbeltown Museum on behalf of the Council, and the existing SLA has not been subject to an inflationary uplift for a number of years. It is therefore appropriate to review the level of support provided through the SLA to ensure it better reflects the actual costs associated with the storage, care and preservation of these artefacts.

1.6 It is recommended that the Policy and Resources Committee:

a) Consider providing a one-off short-term contribution to Auchindrain Museum to allow the facility to remain open until the end of October and carry out necessary maintenance over the winter. It is recommended that this is paid from the Priorities Investment Fund.
b) Agree that the Leader and the Policy Lead for Finance and Commercial Services write to Historic Environment Scotland asking for reinstatement of ongoing revenue support for this nationally significant museum.
c) Note the position with Cowal Highland Gathering.
d) Note that officers are currently reviewing the Service Level Agreement with Kilmartin Museum and delegate authority to the Executive Director with responsibility for Financial Services and Economic Growth, in consultation with the Leader and the Policy Lead for Finance and Commercial Services, to approve an increase to the SLA of up to £20,000 in 2026-27, funded from the Crown Estate allocation, subject to the review confirming that the increase is reasonable and proportionate. Any approved increase to be reflected in the Council's budget outlook for future years.

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FUNDING REQUEST FROM LOCAL ORGANISATIONS

2. INTRODUCTION

2.1 This report provides information on three funding requests that have been received from local organisations for Members consideration.

2.2 It is evident that some local organisations are finding it increasingly difficult to remain financially sustainable without external grant support. This reflects a combination of factors, including rising utility and staffing costs, alongside additional costs associated with meeting legislative and regulatory requirements.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Policy and Resources Committee:

a) Consider providing a one-off short-term contribution to Auchindrain Museum to allow the facility to remain open until the end of October and carry out necessary maintenance over the winter. It is recommended that this is paid from the Priorities Investment Fund.
b) Agree that the Leader and the Policy Lead for Finance and Commercial Services write to Historic Environment Scotland asking for reinstatement of ongoing revenue support for this nationally significant museum.
c) Note the position with Cowal Highland Gathering.
d) Note that officers are currently reviewing the Service Level Agreement with Kilmartin Museum and delegate authority to the Executive Director with responsibility for Financial Services and Economic Growth, in consultation with the Leader and the Policy Lead for Finance and Commercial Services, to approve an increase to the SLA of up to £20,000 in 2026-27, funded from the Crown Estate allocation, subject to the review confirming that the increase is reasonable and proportionate. Any approved increase to be reflected in the Council's budget outlook for future years.

4. DETAIL

4.1 AUCHINDRAIN MUSEUM

4.1.1 Auchindrain Museum is a Category A listed historic township of national significance, recognised as a rare and highly important survival of a traditional Highland ferm-toun, preserving buildings, landscape and evidence of rural working life that were once common across Scotland but are now exceptionally scarce. The site provides an important insight into rural life in Argyll, showing how local families lived, worked and farmed collectively over many generations. Its historic buildings, landscape and collections help tell the story of ordinary people in the Highlands and the significant social and economic changes that affected rural communities, including agricultural improvement and the decline of the

traditional township way of life. As a heritage and visitor attraction, Auchindrain also contributes to the cultural identity of Argyll and supports the wider tourism offer in the area.

4.1.2 A request for additional funding came into the Council via the Leader. The ask is between a range of £36,000 and £54,000 to allow the facility to remain open until the end of October and either retain the outside supervisor and admin officer over the winter (lower ask) or retain all staff over the winter (higher ask). As Auchindrain is a conservation site, there is a requirement to continue with ongoing maintenance to ensure that the buildings are wind and watertight, paths are kept clear and safe and conservation works are carried out during the winter closure. This allows the facility to reopen for the season in good condition.

4.1.3 On reviewing the documents provided by Auchindrain, the organisation is not financially sustainable without significant revenue support and any requirement for ongoing support should not be the responsibility of the Council to provide. The current Board are doing all they can to keep the facility open. They hope to secure funding from SSEN which will allow them to recruit a manager and project officer to take the museum forward, however, even with this funded support, the museum will still need further external grant support to survive.

4.1.4 Auchindrain Museum has historically received significant revenue support from Historic Environment Scotland, including organisational support funding through to March 2025. The withdrawal of that funding has materially affected the museum's financial position and has contributed to the current requirement for short-term support to allow the site to remain open and to maintain essential conservation activity.

4.1.5 Given Auchindrain Museum's status as a Category A listed historic township of national significance, there is a reasonable expectation that national heritage funding bodies, including Historic Environment Scotland, should have a key role in supporting the long-term conservation and sustainability of the site. The Council's consideration of short-term support should therefore be viewed in the context of protecting an important local and national heritage asset, while recognising that the ongoing revenue and conservation requirements of a site of this nature are unlikely to be sustainable through local authority support alone. Further engagement with Historic Environment Scotland and other national funding partners will be important to establish a more sustainable funding model beyond any immediate short-term assistance.

4.1.6 A meeting is being arranged with the Board and the Policy Lead for Finance and Commercial Services (Councillor Ross Moreland) and myself as Executive Director to gain further understanding of the position and a verbal update on this meeting will be provided at Committee.

4.1.7 If Members are minded to provide support, it is recommended that consideration be given to awarding a one-off, short-term contribution to Auchindrain Museum, alongside writing to Historic Environment Scotland to make the case for the reinstatement of ongoing revenue support for the organisation.

4.2 COWAL HIGHLAND GATHERING

4.2.1 Cowal Highland Gathering is one of Argyll and Bute's most significant cultural and visitor events and is widely recognised as one of the leading Highland games events in Scotland. Held annually in Dunoon, the Gathering has a long-established place in the area's cultural identity and brings together traditional Highland games, piping, dancing and community activity. The event attracts participants and visitors from across Scotland and beyond, supporting the local visitor economy and providing wider benefits to businesses, accommodation providers and the hospitality sector in Cowal. In addition to its economic contribution, the Gathering plays an important role in promoting traditional Scottish culture and sustaining Dunoon's profile as a destination for major events.

4.2.2 A funding request has been received from Cowal Highland Gathering in respect of the ongoing financial pressures associated with delivering the event. This request was sent to the Executive Director, Leader and local Councillors. The organisation has advised that rising costs, including event infrastructure, safety and compliance requirements, insurance, staffing, and general operating costs, are placing increasing pressure on the financial viability of the Gathering. While the event continues to deliver significant cultural, community and economic benefits for Dunoon, Cowal and the wider Argyll and Bute area, the scale and nature of the event mean that it is increasingly difficult to deliver without external financial support. Any consideration of support should therefore be viewed in the context of sustaining a nationally recognised event which contributes to the local visitor economy, supports local businesses, and helps maintain Dunoon's profile as a destination for major cultural and sporting events.

4.2.3 The funding request was for additional cash support of £30,000 (or underwriting if this is all that is available) to allow the event to proceed as planned, avoid the cancellation of key elements and give the organisation a realistic prospect of at least breaking even. The Board required confirmation of the funding by 23 July as they were making the final decisions on the elements of the event that could go ahead.

4.2.4 The Policy Lead for Finance and Commercial Services (Councillor Ross Moreland) and myself as Executive Director arranged to meet the Board on 22 July. I was clear prior to the meeting that it would not be possible for the Council to commit to any additional funding or underwriting before the Board meeting on 23 July as this would require wider political approval and the next committee meeting to gain any approval was not scheduled until 20 August.

4.2.5 The meeting was very useful in understanding the challenges facing the organisation. They like many other organisations and businesses are seeing increased costs for a range of supplies, one worth noting is the cost increase in metal that has result in medals costing in excess of £7,000 more than previous years. Another is the requirements associated with Martyn's Law places further responsibilities on event organisers in relation to public protection, risk assessment, staff preparedness and emergency planning. This includes the need to consider enhanced first response arrangements, over and above standard first aid provision.

4.2.6 The Board is actively considering a range of options to reduce future costs and improve the financial resilience of the event. This includes working collaboratively with other local event organisers to identify opportunities for shared procurement, joint planning or other collective arrangements which may help manage costs more effectively in future years.

4.2.7 Due to the timing of the funding request, it was accepted that it was not possible for the Council to commit to financial support prior to the Board finalising arrangements for the event. Councillor Ross Moreland has agreed to meet with the Board after the event to review the position and consider what support may be available in future. The Board was also advised that, once the final financial position for the event is known, it would be open to them to come back to the Council if the event was unable to break even. No commitment to additional funding was made; rather, the Council indicated a willingness to consider what may be possible should further support be required.

4.3 KILMARTIN MUSEUM

4.3.1 Kilmartin Museum is a significant cultural and heritage asset located at the heart of Kilmartin Glen, an area internationally recognised for its concentration of prehistoric and early historic monuments. The Museum plays an important role in interpreting and promoting the archaeology, history and landscape of the area, helping residents and visitors to understand the national and international significance of the Glen. In addition to its heritage role, the Museum contributes to the visitor economy in Mid Argyll, supports local tourism and provides educational, cultural and community benefits. Its continued operation is therefore important not only to the preservation and interpretation of Argyll's historic environment, but also to the wider economic and cultural offer of the area.

4.3.2 Kilmartin Museum are welcoming over 17,000 visitors per annum, expanding the number of international visitors via a targeted travel trade initiative and managing an innovative education programme. A recent analysis has confirmed that the Museum delivers circa £1m of economic benefits to Argyll and Bute each year and circa £5m at the Scottish level.

4.3.3 As with many organisations in the cultural and heritage sector, the museum is currently facing significant financial pressures. Exceptional cost pressures coupled with the cost of living crisis have created a difficult trading environment. While the museum's leadership and trustees are actively pursuing a range of measures to strengthen financial sustainability, there remains a risk that the full potential of the investment made by public funders, charitable trusts, and the local community may not be realised without additional support during this critical period.

4.3.4 The Board wrote to the Council's Chief Executive and the request was for an increase in the value of the Service Level Agreement by £20,000.

4.3.5 I visited Kilmartin Museum along with Fergus Murray, Head of Economic Growth and met with the Chair of Kilmartin Museum and the Interim Manager. This was

a very useful meeting to understand their position. During the meeting they advised that they have appointed an exceptional candidate into the role of Chief Executive/Curator (a combined role rather than two individual roles that they used to have). The candidate comes with significant experience, a start date of October/November time and they are very excited about what she can bring to the future of the Museum.

4.3.6 A significant issue for the Museum relates to utility costs and the requirement to maintain appropriate environmental conditions for the care and preservation of artefacts. The Museum currently holds a number of artefacts from Campbeltown Museum on behalf of the Council, and the existing Service Level Agreement (SLA) has not been subject to an inflationary uplift for a number of years. It is therefore appropriate to review the level of support provided through the SLA to ensure it better reflects the actual costs associated with the storage, care and preservation of these artefacts. This is a clearer and more specific basis for the additional support, linked to the Council's existing arrangements with the Museum, rather than for general core funding support. A review of the current and previous SLAs are currently being carried out alongside an estimate of the increasing cost of utilities in order to make a recommendation on an appropriate uplift. It should be noted that should the Museum be unable to continue operating, the Council would also need to consider alternative arrangements for the artefacts currently held on its behalf.

4.3.7 It was suggested that the Museum explore whether investment in solar panels or other energy efficiency measures could help reduce ongoing utility costs. While this would require capital investment, it may offer a "spend to save" opportunity by reducing future revenue pressures. We advised that there may be opportunities for the Council to support any upfront costs from external funding sources such as Crown Estate funding but this would be for the Museum to put together a proposal.

4.3.8 Other areas discussed included the importance of strengthening collaboration with other visitor attractions in the area, particularly in relation to destination marketing and joint promotion. The Museum is also considering whether crowdfunding could support a project to digitise its artefact collections, which may help widen access, raise the profile of the collections and attract visitors with a specific interest in particular artefacts or aspects of the Museum's collection.

4.4 POSSIBLE FUNDING OPTIONS

4.4.1 The Council has £61,670 of uncommitted funding in the Council's Priorities Investment Fund. On 23 July 2026, I was notified that the Council's Crown Estate allocation for 2026-27 is £3.899m. Given the significantly higher allocation than previous years, there may be scope to consider whether a small element of this funding could support one-off investment linked to coastal, community or economic development priorities, subject to eligibility and any conditions attached to the allocation. It should be noted that £1.516m of the Crown Estate allocation for 2026-27 has already been committed.

5. CONCLUSION

5.1 We have been approached by three organisations over the last few months seeking funding support. Information in support of the requests is included with the report and Members are asked to give consideration to each request.

6. IMPLICATIONS

6.1	Policy:	None.
6.2	Financial:	If Members are minded to provide support this will require to be funded. It is recommended that the support for Auchindrain Museum is met from the existing Priorities Investment Fund and support for Kilmartin Museum is met from Crown Estate funding in the current year.
6.3	Legal:	None.
6.4	HR:	There are no direct HR implications for the Council, however, all three organisations do employee local people.
6.5	Customer Service:	None.
6.6	Risk:	There is a risk if Kilmartin Museum had to close the Council would also need to consider alternative arrangements for the artefacts currently held on its behalf.
6.7	Climate Change:	None.
6.8	Fairer Scotland Duty:	None.
6.9	Equalities Protected Characteristics:	None.
6.10	Consumer Duty:	None.
6.11	Island Communities:	None.
6.12	Children's Rights and Wellbeing:	None.

Kirsty Flanagan
Executive Director / Section 95 Officer

Policy Lead for Finance and Commercial Services – Councillor Ross Moreland
5 August 2026