SCOTTISH BORDERS CREATIVE COMMUNITY IMPACT HUB

› A Future for Selkirk's Municipal Building Community Asset Transfer (CAT)



As prepared by
the Trustees of
Creative Coathanger

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Final Version 4

Foundation Scotland
Where philanthropy meets community

AHF Transforming Heritage

Executive Summary

Who we are

Creative Coathanger (CC) is a Selkirk-based SCIO established in October 2025. Previously, we have built over 10 years' experience as a voluntary organisation running events, festivals and training for the creative sector throughout the Scottish Borders. Our charitable purpose is the advancement of education, the advancement of community action, and the advancement of the arts, culture heritage and science.

Funders have included Creative Scotland, SBC, Borders Community Action, UK Government Multiply and, most recently, Architectural Heritage Scotland and Foundation Scotland. We are an artist-led organisation keen to promote sustainable livelihoods in the creative sector, including sustainable assets and up-to-date skill development. Our board members have skills including applied arts, making, digital arts, light industrial prototyping and creative business.

Our vision is for a Creative Impact Hub inspired by the international Impact Hub movement, aligned to grassroots community development, as well as national and regional government policies for the creative sector. We envisage a holistic approach that includes partnerships with local heritage, culture, business and community groups, as well as capacity development aligned to Developing the Young Workforce (DWP), digital and making skills, CPD and leadership needs in the region. Our ethos is based on the **Quintuple Bottom Line** – *People, Planet, Profit, Purpose and Place*.

Our proposal

We want to secure the Municipal Building (Fig 1) in Selkirk through Community Asset Transfer, restore it, and return it to active community use as an accessible, sustainable creative, cultural and enterprise hub within five years.

The Municipal Building is a cherished and attractive building with a small garden and workshop space, close to the landmark Mungo Park Monument in Selkirk. Although an anchor building in Selkirk High Street, it has lain vacant since 2020, after a long civic life as home to SBC Museums, Registrar services and BBC Selkirk, as well as the local Fire Service. The building fabric needs considerable repair and restoration to bring it back into use. CC has been pursuing this with valuable support from Selkirk Regeneration and SBC officers and councillors.

Current position

CC has commissioned a **Feasibility Study** (Appendix 1) for the Municipal Building to assess the current state of this anchor building in Selkirk's High Street. This is summarised in Section 1. We have also jointly commissioned a **Valuation Report** (Appendix 5) with Scottish Borders Council which has valued the building at £1, to reflect the £2 million inward capital investment needed to restore and repair the building fabric before opening its doors as a Scottish Borders Creative Community Impact Hub in the heart of Selkirk.

CAT transfer progress

The professional feasibility study has identified a preferred, workable RIBA Stage 1 option estimated to be in the region of £2.5million, including planning and development RIBA stage 2.

The independent professional valuation has valued the building at £1 for the purposes of a CAT transfer, and acknowledges the costs required to retrofit the building and make it fit for purpose.

The next steps are to secure the asset-transfer terms, complete detailed surveys and statutory design work, assemble the capital funding package, and build a resilient pre-opening plan. No major capital award or purchase price is being presented as secured until formally agreed, but our costings informed by the feasibility study and discussions with potential funders.



What the building will offer

- Affordable first-floor studios and shared creative workspace.
- Maker, workshop and digital/creative programme rooms.
- Specialist heavy-equipment workshop space.
- Exhibition, event and community-use space.
- A café/retail tenancy bringing day-to-day activity into the building.
- Improved access, fabric-first refurbishment, heat-pump heating and potential solar PVs.
- A focus for Community Wealth Building.
- A focus for the Creative Economy in the region.

Benefits for Selkirk and the Scottish Borders

- Reuses and repairs a central Category B listed civic building vacant for many years.
- Supports creative livelihoods, skills, learning and collaboration.
- Alignment with Selkirk Place Plan.
- Bookends the East-West axis through town centre with The Haining at the other end.
- Provides bookable and affordable space for public, cultural and community activity.
- Retains embodied carbon by adapting an existing building rather than replacing it.
- Provides events and workshops programme to attract visitors as well as local people.
- Creates more reasons to visit and spend time in Selkirk and the Scottish Borders.

Evidence of demand

- 2024 *A Need for Space* Report identified a persistent shortage of suitable creative space in the Borders, exacerbated by the imminent closure of WASPS studios in Selkirk.
- 2026 *Creative Hub Survey*: 54% of respondents were interested in renting creative space; 66% expressed interest in a cross-artform creative building; 62% chose Galashiels/Selkirk as their preferred central Borders location.
- Community engagement collecting feedback and input through attendances at Selkirk Farmers' Market and delivery of Making Selkirk Festival (June 2026).
- Further community engagement and market testing will continue as the design develops.
- Sector research and academic evidence.

Funding the redevelopment

- Community Asset Transfer: £1 valuation.
- "Cocktail of Funding" with acquisition through Scottish Land Fund, Architectural Heritage Fund - next-stage development work, Historic Environment Scotland - eligible historic-fabric conservation, National Lottery Heritage Fund - potential principal heritage/capital programme, Foundation Scotland.
- Low-carbon, regional and charitable match funding, including appropriate energy funds, SOSE and trusts.

Post-redevelopment business model

- Operating model combining tenancies, art-sales commissions and training and events programme full-cost recovery.
- Creative Coathanger leading larger collaborative funding bids and supporting aligned artist-led applications to funds open only to charities.
- Online training provision for distance students, extending beyond Scottish Borders.

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Introduction

Why this building; why now?

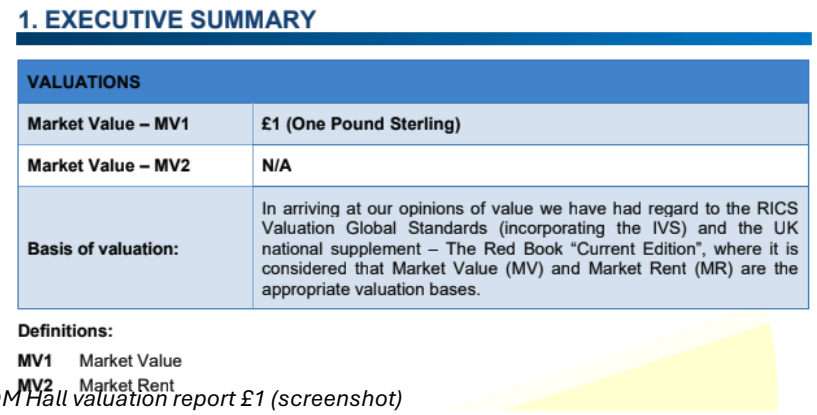
Creative Coathanger SCIO (CC) proposes to acquire and redevelop the former Selkirk Municipal Building as the **Scottish Borders Creative Community Impact Hub (Hub for short)** The Municipal Building in Selkirk became surplus to requirements from Scottish Borders Council (SBC) in May 2025. CC submitted an Expression of Interest (EoI) for a Community Asset Transfer (CAT) in July 2025.

Creative Coathanger commissioned a **Feasibility Study** (Appendix 1) for the Municipal Building to assess its current state. This is summarised in Section 1 below. CC also jointly commissioned a **Valuation Report** (Appendix 5) which valued the Municipal building at £1 to reflect the inward capital investment of £2 million needed to restore the building and make it fit for purpose.

The Community Asset Transfer request for the Municipal Building is aimed not only at saving an iconic listed building on Selkirk's High Street. It also aims to establish a sustainable Creative Impact Hub for the local community and wider creative economy. This ideally sized 'Goldilocks' building – neither too big nor too small – will house a Scottish Borders Creative Community Impact Hub (Hub for short) and provide affordable creative workspaces, maker and digital activity, workshops, exhibition/event space, a café/retail offering and programming for the local community in Selkirk. It will also provide a visible centre for the creative economy in the region, complementing the different roles of The Haining and Selkirk Parish Church. This is a practical proposal for this specific civic building.

The Feasibility Study commissioned by CC, funded by the Architectural Heritage Fund and Foundation Scotland, was completed in September 2026. The RIBA Stage 1 Feasibility Study by heritage specialists LDN Architects identified Option 3A as the preferred route, and confirmed a workable basis for reuse, subject to surveys, permissions and detailed design. The scheme includes seven first-floor studio rooms plus common/admin space, four flexible ground-floor creative programme rooms, a specialist heavy-equipment workshop, a 33 m^2 exhibition/venue room, a 60 m^2café area, improved accessibility (lift), and improved sustainability through extensive insulation, heat-pump heating and solar PV. The estimated capital cost to turn this beloved building into a viable and sustainable community hub going forward is £ 2.5 million (a current capital investment baseline of £2.10m, excluding VAT and fees) to repair and restore the fabric of the building and make it more sustainable to run. The refurbishment costs are planned to be met through a **funding cocktail** from several funders, to create an asset for the local community and secure this historical building for future generations.

The Municipal Building is Category B-listed and has been vacant since 2020. CC has also jointly commissioned a **Valuation Report** (appendix 5) by SBC-approved supplier, DM Hall, who valued the building at £1 (See Fig 2). The full report can be found in Appendix 5. This means that if the CAT transfer is successful, and pending successful fundraising, that remedial work can be started straight away, to halt the building's decline.



1. EXECUTIVE SUMMARY

VALUATIONS	
Market Value – MV1	£1 (One Pound Sterling)
Market Value – MV2	N/A
Basis of valuation:	In arriving at our opinions of value we have had regard to the RICS Valuation Global Standards (incorporating the IVS) and the UK national supplement – The Red Book "Current Edition", where it is considered that Market Value (MV) and Market Rent (MR) are the appropriate valuation bases.

Definitions:

MV1 Market Value

MV2 Market Rent

Figure 2: DM Hall valuation report £1 (screenshot)

The **Business Plan,** outlined in Section 2, lays out costed plans to turn The Hub into an economically sustainable organisation, beyond the restoration phase, providing local economic income, jobs, and abundant social capital. The Hub will be a fully accessible building. The top floor will be accessible to tenants only, and will provide secure tenancies for seven creative business and cultural organisations. The ground floor will be entirely community-focused, with a light industrial workshop facility and four flexible workshop spaces that are skills and training-focused. A 'white cube/black box' exhibition space will provide cultural content, while a community café will provide social and retail space for local products.

Under the five-year business plan, the Hub will seed three new fractional posts, create several full-time posts associated with the café, secure seven existing businesses, and provide a programme of creative events and opportunities for the local community, with the ambition to develop fractional into full-time posts in the ten-year business plan.

The operating model combines tenancies, art-sales commissions and events and training programme full-cost recovery. The stabilised gross target is £79,213 annual income against £78,200 annual expenditure, leaving a £1,013 gross buffer, which the five-year business plan aims to grow. The model therefore depends on disciplined occupancy, programme funding/recovery and ongoing operating-funding development.

During the building redevelopment phase, CC will develop its events and training programme and income through project funding bids, gathering further evidence of need and community engagement. We have already benefited from Borders Community Action support and funding and plan to develop our local networks and partnerships further.

The Scottish Borders has a **substantial creative economy** (see Appendix 3: **SOSE Creative Economy in the Scottish Borders**), yet lacks visibility, coordinated infrastructure, and dedicated and affordable workspaces. Long-standing evidence, including the CABN 2019 survey and Creative Coathanger–led research (2023–2024) (see Appendix 2: **CABN Need for Space report**) demonstrated clear demand for shared creative spaces, skills development towards sustainable livelihoods, and stronger collective visibility of local creative industries. This demand has been compounded by the recent announcement of the closure of the WASPS studios in Selkirk.

CC delivers a practical, place-based model through four interlocking strands: events and training; commissioning and partnerships; advocacy and visibility; and the development of a Creative Impact Hub in Selkirk. Together, these form a collaborative ecosystem designed to support resilience, sustainability and thriving, aligned to a Quadruple Bottom Line approach.

The bid aligns with and builds on **Selkirk's Local Place Plan**, developed through extensive community consultation. The Creative Community Impact Hub would safeguard a treasured existing asset on the High Street, develop new facilities, consolidate existing ones, and connect the East-West axis to the Haining through the town centre, creating natural flow through the town centre.

1. Feasibility Study

1.1. Rationale

Creative Coathanger SCIO proposes to acquire the former Selkirk Municipal Buildings, which has been vacant for six years, and return the Category B listed civic building to active public and productive use, as the **Scottish Borders Creative Community Impact Hub**. The centre would combine affordable creative workspace, specialist production space, café/retail activity, exhibition and community event use, skills development and community arts programming.

Creative Coathanger commissioned a **Feasibility Study** (Appendix 1) for the Municipal Building to assess the current state of this anchor building in Selkirk's High Street. Heritage architects LDN Architects were commissioned to undertake this feasibility study, as a renowned practice with extensive expertise of sensitive heritage projects. LDN previously worked in Selkirk as a partner to Selkirk CARS. While CC would have preferred to work more closely with local architecture firms, such as Stuart Davidson, who was involved in the early stages, CC was advised to engage the services of an accredited heritage conservation architects, as this is likely to be a funder requirement going forward.

The Feasibility Study (Appendix 1) establishes the building condition, spatial feasibility, accessibility, services, statutory and heritage constraints, proposed alterations, capital works, risks and cost implications. It includes architectural information on the Existing Plan and current state of the building, Downtakings Plan, Proposed Plans and Fabric Upgrade Plan. The Fabric Upgrade Plan identifies a developing package of interventions to make the building fit for requirements, and future-proof it with significant environmental upgrades, including roof and wall insulation, limecrete replacement floors, underfloor heating, glazing upgrades, replacement external doors and provision for photovoltaic panels. This information has informed the capital-project and operating-cost projections.

LDN worked in close collaboration with structural engineering firm Elliott and Co, building services engineer Irons Foulner and cost manager Morham & Brotchie who provided quantity surveying estimates on costs. The survey was supported by site inspections and a drone survey, to give detailed insight into the current state of the building. The needed repairs are graded in terms of urgency, and with associated costs.

The CC Trustees were presented with several design options for the building and opted for the Preferred Option 3A as the current professional design baseline. This design option was informed by community consultation during Spring and Summer 2026, and presented to the Selkirk community at the Farmers' Market on 4th September 2026 and to the Selkirk Regeneration SCIO AGM on 23rd September 2026.

The feasibility study confirms that the project is technically feasible at RIBA Stage 1, subject to the further surveys, consents and design development identified in the report. The full and detailed Feasibility Study is included as a separate entry into the documentation submitted as part of the CAT documentation. The key findings are also outlined in this document in section 1.5.

1.2. Need and Market

1.2.1. Local Evidence and Rationale

CC is proposing to develop a **regional Scottish Borders Creative Community Impact Hub** in Selkirk. While CC has a regional remit, CC also has established ties to Selkirk and its communities. CC collated the **Need for Space report** (2024) (Appendix 2) in collaboration with partners, and based on long-standing dialogue and community engagement aimed at developing long-term sustainable creative spaces in the Scottish Borders.

Selkirk was the focus of the Need for Space report, as Selkirk offered the highest density of creative business co-locations through the WASPS studios and the Haining, as well as many local independently operating creative businesses who registered interest in developing co-location premises. Our report identified a persistent shortage of suitable creative space in the Borders. This was informed not only by anecdotes and experiences, but also by survey results. In 2019, CABN conducted a survey to gauge demand for creative spaces and facilities. This survey had 24 questions and 132 respondents, although not every question was answered by all. Some of the framing of the questions led to multiple possible responses: more than a third of respondents (39%) of those respondents who expressed interest in a creative facility in the Scottish Borders declared themselves a professional artist, and more than half (48.5%) said they were self-employed creatives, with 14.5% declared as sole trader and 13% as working for a social enterprise or voluntary organisation. CC conducted a further Creative Hub Survey in 2026 with 24 focused respondents. This indicated that over half (54%) of respondents were interested in renting creative space, while 66% expressed interest in a cross-artform creative building, and 62% chose Galashiels/Selkirk as their preferred central-Borders location.

This need for space has since been exacerbated by the announced closure of WASPS studios in Selkirk in November 2026, making seven businesses 'homeless'. This also comes on the back of recent closures of two major artist studio spaces in Edinburgh (WASPS, Dalry and St. Margaret's House)[1] being developed for commercial purposes, thus making Selkirk a viable option for creative businesses to find alternative, affordable spaces. This also highlights the vulnerability of the creative sector to commercial property developments, and the urgent need for sector-owned property assets to enable the greater sustainability, security and connectivity of creative businesses.

Local and regional artist spaces currently include The Haining (Selkirk), which rents out six high end artist studios[2], Little Art Hub (Galashiels)[3] which operates as a meanwhile space, running creative workshops and events, the Jethart Creative Quarter (Jedburgh)[4], and Rhymer's Works from the Hugo Burge Foundation (Earlston)[5] . While these facilities are greatly welcome, some are aimed at high-end creative businesses and overall, there are not enough spaces to meet the local need.

Furthermore, recent research (2026) led by Creative Dundee and Northumbria University has found that the use of 'meanwhile' or temporary spaces through the Reform Vacant Property and Business Rates Incentive or Meanwhile space initiatives are becoming the dominant creative space model in Scotland, due to a lack of provision for long-term space[6] . The research shows that these models disproportionately benefit private landlords, are reliant on local implementation of business rates on vacant properties and do not support creative communities to evolve, build wealth and accumulate assets. The Hub proposal **will**

[1] Closure St Margaret's House, Edinburgh: https://tfn.scot/news/charities-and-arts-groups-left-in-limbo-amid-office-block-closure

[2] The Haining, Stables, Artist and Business Studios: https://www.thehaining.org/coach-house-and-stables/

[3] Little Art Hub https://www.littlearthub.org/

[4] Jethart Creative Quarters, https://www.aitken-turnbull.co.uk/projects/jethart-creative-quarter/

[5] Hugo Burge Foundation, 'Rhymer's Works': https://www.hugoburgefoundation.org/spaces/earlston-studios

[6] Creative Dundee/AHRC Creative communities (2026) Creative Space as a Catalyst for Community Wealth Building: https://creativedundee.com/2026/10/ahrc-creative-communities/

create a community asset that is for the benefit of the community with long term security and an enduring asset.

This proposal builds on the 2024 Need for Space evidence and the 2026 Creative Hub Survey. Considering the 'Need for Space' and the role that the creative hub can play in local regeneration, the need for a creative hub in the central Borders is evident.

The Scottish Borders Creative Community Impact Hub is modelled on the international Impact Hub model[7] as a place for entrepreneurs and innovators to build a regenerative economy, where business and profit serve (local) people and the planet. Its ethos is based on collective action and collaboration, and an international network. It is CC's ambition to become an officially recognised Impact Hub (pending approval) within five years, and become a member of this international network. This has been informed by a site visit by CC Trustees to the only other Scottish Impact Hub, in Inverness, in September 2026. R&D and innovation in the creative economy is well established and a national economic driver, hence our focus on the Creative Impact Hub. By anchoring the Hub in Selkirk, we address local needs, while creating shared infrastructure that supports creative livelihoods and connectivity across the wider region. Creative businesses and access to creative technology, including makerspace equipment (modeled on the international Fablab)[8] and other non-digital production facilities will be critical. By co-housing these human and technical resources in one building, this creative community with its skills and technology becomes a community resource and asset for Selkirk and Borders citizens by creating spaces to learn, share, develop new skills, connect and be sociable.

CC has an inventory of creative tech equipment (funded by a SOSE Createch grant) and the business plan includes the consolidation of existing, disparate workshop facilities into one facility that will be accessible to many. The Creative Impact Hub is envisaged as a permanent community space, underpinned by green design and fair work principles, for:

- making, learning
- R&D, innovation, prototyping
- secure, long-term studio spaces for co-working
- shared access to fabrication equipment
- exhibition/social space
- shared marketing
- peer support and connection.

The Creative Impact Hub will fulfil two mutually supportive functions: 1) act as a local and regional hub for entrepreneurial R&D and 2) support a creative ecosystem of small creative businesses.

The Impact Hub aligns with key priorities in the **Selkirk Place Plan**[9] to which CC contributed (2024/2025), and which was formally adopted by SBC in 2025. The plan argues for 'supporting creative platforms for arts, culture and heritage that are accessible to all people', including better co-ordination between groups involved in tourism, heritage arts and culture (p. 35),

1) an identified need for a community and creative hub (p.38, p. 40, p58),
2) the urgent need to address vacant and derelict buildings (p.44, p 49-50),
3) creative placemaking as a key mechanism for delivery of the local Place Plan.

As such, the Creative Impact Hub aligns very well with community-identified priorities.

[7] Impact Hub: https://impacthub.net/ecosystem-building/

[8] Fab Lab: https://fabfoundation.org/getting-started/#fablabs-full

[9] Selkirk Place Plan: https://www.scotborders.gov.uk/downloads/file/13683/selkirk-and-the-valleys-local-place-plan

CC operates through a **Quintuple Bottom Line** lens – *People, Planet, Profit, Purpose and Place* – and measures success through community resilience and wellbeing, creative livelihoods and sustainable and regenerative environments, as well as financial sustainability.

Besides the economic value outlined above, the Hub will also deliver and create community benefits and value outlined below.

1.2.2. Regional Evidence and Research

The **South of Scotland Enterprise (SOSE)** recognises the creative economy to help deliver creative economy growth, innovation, and fair work. The South of Scotland Creative Economy Guide (2023) also noted that nearly 60% (59%) of creative enterprises in the South of Scotland are sole traders, 41% are women-led, 31% work in the digital economy, 11% are part of the visitor economy, and 10% are social enterprises[10]. The creative economy thus intersects with many levers that help deliver community wealth building as well as economic growth, which we expand upon in section 2.3.

SOSE collated the *Creative Economy in the Scottish Borders* report (see Appendix 3) for CC, which evidences that The Scottish Borders has a **substantial creative economy** of 900+ creative businesses employing 3,500 people, dominated by freelancers and sole traders, which bring £223 million into the Scottish Borders. Yet despite the size and economic contribution, it still lacks visibility, coordinated infrastructure, and dedicated, affordable workspaces that make this industry visible to the community.

The Creative Industries are an interconnected ecosystem of designers, creatives, artists and engineers across the UK, most visible in creative clusters. Sub-sectors such as film, TV, music, performing arts, visual arts, video games and advertising thrive because of each other and our excellence in areas including design, photography, architecture, software, publishing, crafts, audio and fashion. The Hub will act as a focus for the creative industries in the region.

The sector is made up predominantly of SMEs and microbusinesses which interact, while freelancers and creative workers play a key role in the sector's dynamism, moving between subsectors in both the creative industries and the wider economy.

1.2.3. Broader Evidence and Research

CC believes that the creative economy is exceptionally well placed to help deliver local economic growth that is holistic, and with an agility, resilience and flexibility that is well documented.

This aligns with both UK Government and Scottish Government policies that have recognised the creative industries as a key driver for growth: "The arts, culture and creative industries inject more than £5.7 billion annually into the Scottish economy, provides employment for around 115,000 people including freelancers and has been shown to generate an additional £3 billion in indirect and related turnover"[11].

[10] SOSE (2023) South of Scotland Creative Economy Guide.
https://www.southofscotlandenterprise.com/media/td1kcznc/south_of_scotland_creative_economy_guide.pdf

[11] Connelly, S (2012) Economic Contribution Study: An Approach to the Economic Assessment of Arts and Creative Industries in Scotland, DCR Research.

The UK Gov 'Creative Industries Sector Plan' (2025) specifically acknowledges the sector as an engine for both growth and innovation[12]. Furthermore, arts and culture 'social prescribing' is seen as increasingly critical for a wellbeing economy, supporting social cohesion and mental wellness[13].

In the foreword to its 'Creative industries sector vision', (June 2023), the UK government stated[14]:

> "Our creative industries are world-leading, an engine of our economic growth and at the heart of our increasingly digital world. From 2010 to 2019, they grew more than one and a half times faster than the wider economy and in 2021, they generated £108bn in economic value. In 2021, they employed 2.3 million people, a 49% increase since 2011. Their impact reaches beyond their borders to other sectors, with advertising, marketing and creative digital innovation supporting sectors across our economy.
>
> The importance of the creative industries also goes well beyond the economy. They provide the news that informs our democracy, the designs that shape our cities and the content and performances that enrich our lives and strengthen our global image. The sector has proved that it is an essential positive force for society, bringing joy, inspiration and opportunity to our lives. The creative industries form the national conversation through which we define our shared values."

In summary, the Hub would leverage national trends toward **creative tech, net-zero innovation**, and **community wealth building** (more in section 2.3.)

1.3 Community Value

The Hub proposal embodies **Community Wealth Building** principles, which we evidence in detail in section 2.3. However, beyond those broader principles and evidence, CC has done extensive consultation with the creative Scottish Borders community on the 'need for space' over a number of years as outlined above, and has also consulted with the local community in Selkirk specifically through participation in and contribution to the **Selkirk Place Plan**, and community engagement through the monthly Selkirk Farmers' Market, where CC presented its ideas and gathered feedback which has directly informed the final proposal. In addition, CC has also gathered memories of the civic value of the Municipal Building.

CC also ran the **Making Selkirk Festival** in June 2026, funded by Foundation Scotland, to highlight and present the different types of creative activities that the Hub could be running for the benefit of the community. The feedback gathered from participants, reflecting on both the building and its possible future use, included suggestions for a mix of rentable and communal space, with activities for both young and old and the inclusion of a gallery/shop/café (Appendix 4). All these ideas have informed the final proposal (section 1.6).

1.3. Historical Value

1.3.3. Architectural Value

The principal building dates from the late 18th century, with later additions and alterations. Historic Environment Scotland records that the building first appears on John Wood's 1823 *Plan of Selkirk*.

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[12] UK Government (2025) Creative Industries Sector Plan. https://www.gov.uk/government/publications/creative-industries-sector-plan

[13] Mughal R., Polley M., Sabey A. & Chatterjee H.J. (2022) How Arts, Heritage and Culture can support health and wellbeing through social prescribing. NASP. Available at: https://socialprescribingacademy.org.uk/media/5xhnkfwh/how-arts-heritage-and-culture-can-support-health-and-wellbeing-through-social-prescribing.pdf

[14] UK Government (2023) Creative Industries Sector vision: a joint plan to drive growth, build talent and develop skills. https://www.gov.uk/government/publications/creative-industries-sector-vision/creative-industries-sector-vision-a-joint-plan-to-drive-growth-build-talent-and-develop-skills

Architecturally, the building is a substantial late-Georgian classical townhouse constructed in sandstone ashlar. The principal façade is arranged symmetrically with five bays, sash-and-case windows, central entrance, raised central tablet, and hipped slate roof. The building retains notable historic detailing including interior plasterwork, stained glass, and surviving stair elements.

The lower additions to the west evolved historically into service and municipal functions, including later fire-service accommodation.

1.4.2. Dovecote and the Anderson Family

Historic Environment Scotland records that the building was historically known as:
'Dovecote' during the late 18th century, when it belonged to Thomas Anderson, father-in-law of Mungo Park. Thomas Anderson was a prominent Selkirk surgeon and the apprenticeship mentor of the explorer, Mungo Park. Park later married Anderson's daughter, Ailie Anderson, in 1799. Historic Environment Scotland's listing for the Mungo Park Monument cross-references the Council Buildings listing in relation to this association.

The building therefore possesses a direct documented association with Thomas Anderson, the Anderson family, Ailie Anderson, and indirectly with Mungo Park's Selkirk years. The 1859 Mungo Park Monument, a significant local landmark, is directly adjacent to the Municipal Building.

Importantly, however, the building's significance extends well beyond this association and includes much broader civic, architectural, and municipal heritage value.

1.4.3 Municipal and Public Service History

Historic Environment Scotland records that Selkirk Town Council acquired the building in 1904 for use as municipal buildings. Evidence of this purchase survives in local family archives.

The site subsequently evolved into a municipal services complex associated with local government administration and public-service functions. The west-side additions later accommodated Selkirk's fire service for many decades. Historic Environment Scotland records that: "The fire service utilised the section of the addition to the left for many years" until relocation to the Shawpark Road fire station during the 1970s. This phase of use contributes significantly to the building's civic and social-historical importance within Selkirk.

The building is locally known as the 'Contact Centre', as it provided a local service point for local authority services. Many residents recall registering births and marriages there. People recall either working there, for example in the BBC recording studio or the SBC Museum Stores, or visiting relatives who worked there. It remained in civic use until closure during the pandemic in 2020.

1.4.4 Townscape and Conservation Significance

The building occupies a highly prominent position within Selkirk Conservation Area, adjacent to the historic Parish Church and within the historic burgh structure formed by the High Street, Back Row, and Kirk Wynd. Its scale, architectural quality, detached siting, and long continuity of public use make it an important component of Selkirk's historic civic townscape.

As part of the recent bid submitted to the UK Town of Culture led by the Selkirk Community Council, the Municipal Building would form one end of the East-West axis through the town, with The Haining at the other end of this mile.

1.4.5 Heritage Value and Adaptive Reuse

As part of the consultation events that Creative Coathanger ran during the course of 2026, quotes and memories of the Municipal Building were recorded (see Appendix 4), which reflected the layered significance of this building: “architectural, civic, municipal, social, and associative”.

Its evolution from private late-Georgian residence to municipal headquarters and Fire Service complex demonstrates a long continuity of public and civic function. The proposed adaptive reuse as the Scottish Borders Creative Community Impact Hub would therefore represent a continuation of civic/community use through conservation-led regeneration, and the reactivation of an important historic town-centre building as contemporary cultural infrastructure.

1.46 Current State

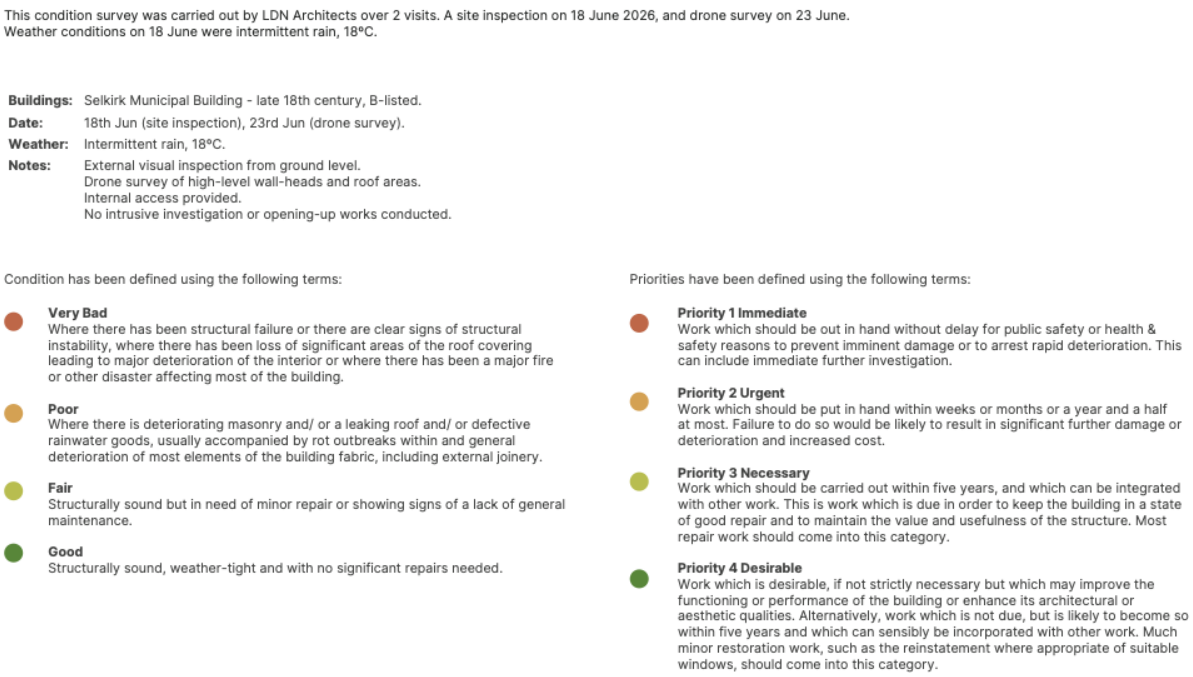
The Selkirk Municipal Building is currently in poor condition and requires remedial works to address defects and improve its suitability for future use. Three key areas require urgent repairs and immediate remedial works: 1) dry rot, 2) roof and 3) stonework.

Some remedial works have already been undertaken by Scottish Borders Council (SBC), including:

- Partial treatment of dry rot, including the removal of affected finishes and a section of flooring.
- Clearance of gutters.
- Repairs to address water ingress.

A structural report prepared by McKay & Partners in March 2026 was provided by SBC to LDN and CC as part of the project information, together with an asbestos survey, dated 2003. A number of quotations for repair works were also provided. However, there is currently no supporting documentation confirming whether the works have been undertaken.

The LDN Feasibility Study includes a detailed report with a coded priority list (p16-57) using the following legend (Fig. 2). Next are detailed the most urgent repairs, as identified as ‘Priority 1’ (red) - ‘Immediate Work which should be out in hand without delay for public safety or health & safety reasons to prevent imminent damage or to arrest rapid deterioration. This can include immediate further investigation’ - and ‘Priority 2’ Urgent (orange) - ‘Work which should be put in hand within weeks or months or a year and a half at most. Failure to do so would be likely to result in significant further damage or deterioration and increased cost.’



This condition survey was carried out by LDN Architects over 2 visits. A site inspection on 18 June 2026, and drone survey on 23 June.
Weather conditions on 18 June were intermittent rain, 18°C.

Buildings: Selkirk Municipal Building - late 18th century, B-listed.
Date: 18th Jun (site inspection), 23rd Jun (drone survey).
Weather: Intermittent rain, 18°C.
Notes: External visual inspection from ground level.
Drone survey of high-level wall-heads and roof areas.
Internal access provided.
No intrusive investigation or opening-up works conducted.

Condition has been defined using the following terms:

Very Bad
Where there has been structural failure or there are clear signs of structural instability, where there has been loss of significant areas of the roof covering leading to major deterioration of the interior or where there has been a major fire or other disaster affecting most of the building.

Poor
Where there is deteriorating masonry and/ or a leaking roof and/ or defective rainwater goods, usually accompanied by rot outbreaks within and general deterioration of most elements of the building fabric, including external joinery.

Fair
Structurally sound but in need of minor repair or showing signs of a lack of general maintenance.

Good
Structurally sound, weather-tight and with no significant repairs needed.

Priorities have been defined using the following terms:

Priority 1 Immediate
Work which should be out in hand without delay for public safety or health & safety reasons to prevent imminent damage or to arrest rapid deterioration. This can include immediate further investigation.

Priority 2 Urgent
Work which should be put in hand within weeks or months or a year and a half at most. Failure to do so would be likely to result in significant further damage or deterioration and increased cost.

Priority 3 Necessary
Work which should be carried out within five years, and which can be integrated with other work. This is work which is due in order to keep the building in a state of good repair and to maintain the value and usefulness of the structure. Most repair work should come into this category.

Priority 4 Desirable
Work which is desirable, if not strictly necessary but which may improve the functioning or performance of the building or enhance its architectural or aesthetic qualities. Alternatively, work which is not due, but is likely to become so within five years and which can sensibly be incorporated with other work. Much minor restoration work, such as the reinstatement where appropriate of suitable windows, should come into this category.

Figure 2: LDN Feasibility Study Report - condition survey terms (page 15)

1.5.1. Dry Rot

Dry Rot is the most significant liability that requires the most urgent attention and currently renders the building unfit for occupation and requires immediate remedial work. SBC-appointed contractors Richardson & Starling identified two outbreaks in September 2025: first-floor timbers and the room below, apparently linked to roof leaks; and the rear store, interview room and stairwell, apparently linked to a past toilet plumbing leak. Crucially, extensive rot affects bonding timbers in a wall supporting concrete stairs and a landing. The contractor recommended removing and rebuilding that wall, but excludes this work from its price. Most replacement wall finishes and other reinstatement are also excluded.

WSZ Joiners Ltd reported fungal growth returning in previously cleared areas on 11 September 2025. McKay & Partners subsequently confirmed on 19 March 2026 that decay had required floor joists to be cut back and removed, making this a structural issue. Replacement joist design had been undertaken; further structural input may be needed as works exposed more damage. These records do not demonstrate completion or eradication. This is also stated clearly in the Feasibility Report. The LDN Feasibility Study identified dry rot on the ground floor (p 31; 2.1.1; p 40: 2.2.9; p 42: 2.2.10: p 44: 2.2.11 and 2.2.12) as requiring immediate repairs.

1.5.2 Roof Repairs and Water Ingress

The structural report prepared by McKay & Partners at behest of SBC in March 2026 describes the exterior as generally reasonable for its age and sees no apparent structural cause for the observed hairline cracks. However, the inspection was largely visual, the roof was viewed from ground level, and flat-roof condition was unconfirmed. Recommended work includes roof and rainwater inspections, sandstone repairs/replacement, lime repointing, rebuilding missing masonry, and exposing corroded steel lintels/beams for further assessment. Hidden defects are not ruled out.

The quotes offered by Finlaysons to SBC in February 2026 offer a temporary wind-and-watertight option using slate repairs and flashband, and a more extensive option covering slate pitches, lead/zinc details, felt roofs/gutter and new rainwater gutters (£38,802 + VAT). It is not clear from the Feasibility Report if this work was carried out. The temporary option should not be treated as equivalent to the fuller works.

This was expanded upon in the LDN Feasibility Study, which identifies the roof on the main building (p. 16: 1.1.1.) and on the northern extension (1.1.4.) as in poor condition and in need of immediate repair, alongside the urgent repairs of gutters and downpipes.

Water ingress requiring immediate repairs are identified on the ground floor and stairwell (p 46: 2.2.13, 2.2.14; p 50: 2.3.2, 2.3.3; p.54: 2.3.6; p.56: 2.3.7).

1.5.3 Masonry Repairs

The LDN Feasibility Study identified urgent stonework required on the North (1.3:1 - 1.6.3), West elevation (p 22: 1.4/1.4.1) and East elevation (p. 27: 1.6: 1.6.1) and classed as immediate or urgent need.

The associated costs for repair are outlined in section 1.6.

1.6 Proposal

LDN provided three design options for potential use and layout of the building, in response to the brief provided by CC. Option 3A was identified as the preferred option. Full details of the Outline Scope of Works are provided in Appendix E of the Feasibility Study.

The proposed space usage is detailed below and based on information provided in the Feasibility Study and outlined in the plans for option 3A (See Fig 3a-c).

Ground Floor

Entrance
The principal entrance to the building will be retained through the original front door, with the existing entrance lobby and leaded glass door retained.

Café/Gallery/Retail
To the right of the entrance, a combined cafe, gallery and retail space is proposed. The existing front and rear rooms will be opened up to create a larger, more flexible space, with a new glazed door and screen providing a clear and welcoming entrance from the lobby. Based on the proposed toilet provision, the cafe will accommodate up to 40 people. New toilet facilities are located within the cafe area. The existing bay window will be adapted to form new doors providing direct access to the garden and strengthening the relationship between the interior and external spaces.

Kitchen and Plant
The kitchen is positioned directly adjacent to the cafe, providing efficient servicing and a clear operational relationship between the two spaces. A dedicated plant room is located within the existing outrigger.

Studios
To the left of the entrance, the principal circulation route leads into the main spine corridor, providing access to Studios 1–4, the toilet facilities and the new lift. Half-height windows into the studio spaces provide other building users with an opportunity to see the activity taking place within the building.

Exhibition Space
The main corridor provides access to the proposed exhibition and performance venue. The space is designed to operate either as a single large room or as two separate spaces, through the incorporation of a folding partition and two separate entrances. A large dedicated store serves the space, providing storage for furniture and equipment.

Workshop
The workshop is located at the northern end of the building in the section known locally as the Fire Station. The existing double door opening onto the High Street will be retained, providing a direct entrance from the

High Street for the delivery and movement of larger materials and equipment. The existing arched opening will be infilled with a new glazed screen and door, creating a strong visual connection between the workshop and the High Street and allowing activity within the space to be seen from the street.

A platform lift and new stair are proposed at the change in level between the main building and workshop, improving accessibility between the different floor levels.

The rear of the workshop incorporates a range of ancillary and support spaces, including a dedicated materials store and additional areas for specialist equipment and storage. New WC facilities are also provided within this part of the building. The materials store has direct access to the rear of the property, allowing deliveries and the movement of materials to take place independently of the main public circulation routes.

First Floor

The first floor will be for long-term tenancies.

A new platform lift will provide step free access between the ground and first floors, while the existing principal stair will be retained. The existing WC within the outrigger will also be retained.

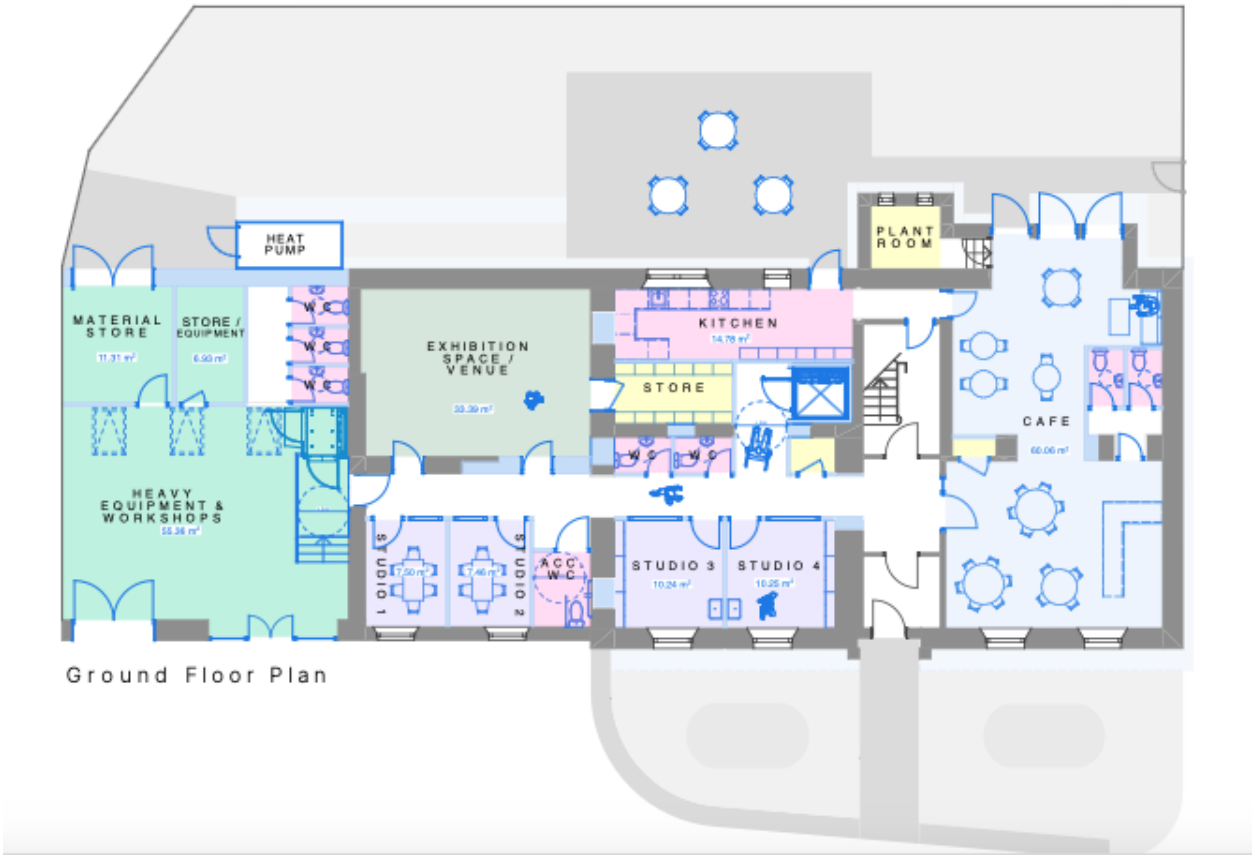
The first floor accommodates seven studio spaces of varying sizes together with a shared common room. The arrangement provides a mix of dedicated working spaces and shared facilities.

External

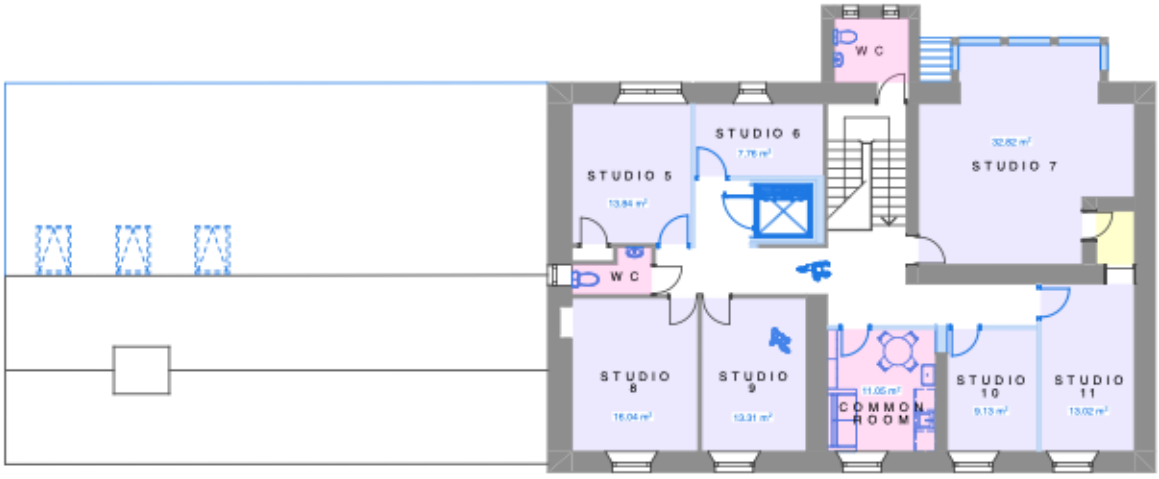
Within the rear garden, an air source heat pump is proposed adjacent to the rear of the new workshop extension.

As identified within the condition report, a new French drain is proposed around the perimeter of the building to improve surface water drainage and reduce the risk of moisture accumulation against the external walls. The intervention is intended to assist in managing existing damp-related issues and improve the long-term performance of the building fabric.

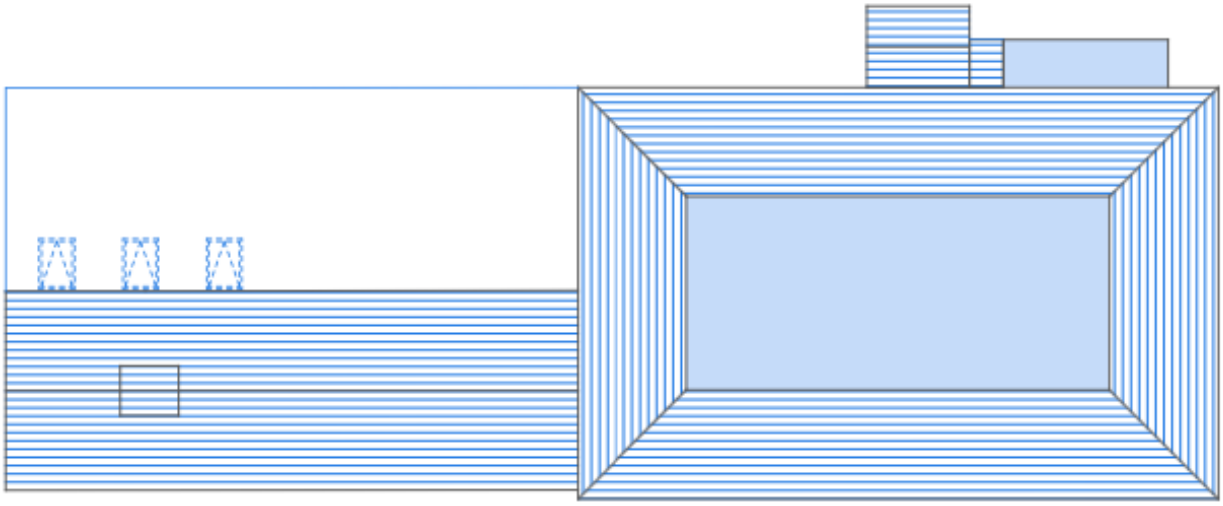
The existing roof coverings will be renewed throughout. Rooflights over the exhibition space will be removed, and a new roof extension provided over the workshop, incorporating openable rooflights to provide natural daylight and ventilation. Photovoltaic panels are proposed for the main building's flat roof.



Ground Floor Plan



First Floor Plan



Roof Plan

KEY

EXISTING

PROPOSED

PROPOSED
[external works]

Ground Floor
Accommodation Schedule

ARTIST STUDIOS	35.45 m2
EXHIBITION SPACE/VENUE	33.39 m2
HEAVY EQUIPMENT WORKSHOP	73.60 m2
CAFE/GALLERY/RETAIL (max. 40 covers)	60.06 m2
SUPPORT SPACES	31.08 m2
SERVICES & STORAGE	12.23m2

First Floor
Accommodation Schedule

ARTIST STUDIOS	105.92 m2
SUPPORT SPACES	17.55 m2
SERVICES & STORAGE	1.71 m2

The areas are approximate only and based on a measured survey by others that we cannot guarantee the accuracy of, and will be subject to the installation of new internal insulation and wall linings.

0 10m 1:100

Figure 3a-b: Preferred design Option 3A for the Municipal Building, LDN Feasibility Study (p. 64): ground floor, first floor and roof plan

ID	P02 label	m²	Current CC operating use	Status/note
GF01	Studio 1	7.50	Creative/Digital programme zone	CC operating overlay; not leased in current model.
GF02	Studio 2	7.46	Creative/Digital programme zone	Paired/flexibly used with GF01 subject to design confirmation.
GF03	Studio 3	10.24	Maker/workshop programme zone	CC operating overlay; practical creative activity.
GF04	Studio 4	10.25	Maker/workshop programme zone	Paired/flexibly used with GF03 subject to design confirmation.
GF05	Heavy Equipment & Workshops	55.36	Specialist tenancy	Principal workshop space.
GF06	Exhibition Space / Venue	33.39	Gallery/exhibition/event	Six months funded/public-cultural programming target plus six months sales-oriented exhibitions.
GF07	Café	60.06	Commercial café/retail tenancy	Gallery accounting is separate from café tenancy.
GF08	Kitchen	14.78	Café support	Support space; not independent income.
GF09	Plant Room	3.87	Building services	No independent income.
GF10	Toilets	16.30	Public/support	No independent income.
GF11	Material Store	11.31	Workshop tenancy support	Included in Heavy Workshop package.
GF12	Equipment / Store	6.93	Workshop tenancy support	Included in Heavy Workshop package.
GF13	Exhibition Store	8.36	Exhibition support	Included within services/storage total; no independent income.
FF08	Studio 5	13.84	Artist tenancy	Whole/shared occupation as feasible.
FF01	Studio 6	7.76	Artist tenancy	Likely single/small unit; final occupancy design TBC.
FF02	Studio 7	32.82	Artist tenancy	Strongest candidate for movable subdivision/shared occupation.

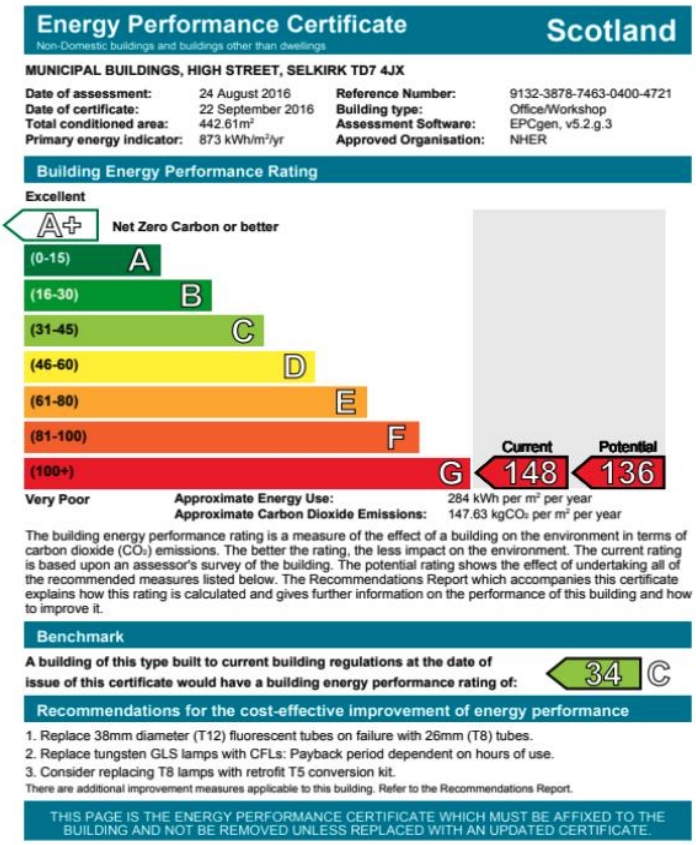
ID	P02 label	m²	Current CC operating use	Status/note
FF03	Studio 8	16.04	Artist tenancy	Whole/shared occupation as feasible.
FF04	Studio 9	13.31	Artist tenancy	Whole/shared occupation as feasible.
FF05	Studio 10	9.13	Artist tenancy	Likely single/small unit; final occupancy design TBC.
FF06	Studio 11	13.02	Artist tenancy	Whole/shared occupation as feasible.
FF09	Common Room	11.05	Common room + CC administration	Dual function; not independently let.
FF10	Toilets	6.50	Tenant/support	No independent income.
FF11	Storage	1.71	General storage	No independent income.

Table 1: Detailed operating schedule for each space (05_SBAC_section3)

1.6. Sustainability Embedded

Creative Coathanger are seeking to transform the Selkirk Municipal Building, a Category B-listed building located on Selkirk High Street, into a flexible, mixed-use arts facility supporting artistic production, exhibitions, education, public participation, community activity and sustainable earned income. The project proposes the retention and reuse of an existing, long-vacant building, thereby avoiding the significant embodied carbon associated with demolition and new construction. Repurposing the building also preserves an important contributor to the historic character of the High Street, brings a vacant property back into active use, and supports the vitality of the town centre.

The valuation report, which was jointly commissioned by SBC and CC, by DM Hall, included an energy report rated at G (very poor)(See Fig. 4)(Appendix 5). The valuation report also indicates that this performance can be improved with some superficial interventions (changing light fittings).



Energy Performance Certificate — Scotland

Non-Domestic buildings and buildings other than dwellings

MUNICIPAL BUILDINGS, HIGH STREET, SELKIRK TD7 4JX

Date of assessment:	24 August 2016	**Reference Number:**	9132-3878-7463-0400-4721
Date of certificate:	22 September 2016	**Building type:**	Office/Workshop
Total conditioned area:	442.61m²	**Assessment Software:**	EPCgen, v5.2.g.3
Primary energy indicator:	873 kWh/m²/yr	**Approved Organisation:**	NHER

Building Energy Performance Rating

Excellent

A+ Net Zero Carbon or better

(0-15) A

(16-30) B

(31-45) C

(46-60) D

(61-80) E

(81-100) F

(100+) G

Current 148 Potential 136

Very Poor

Approximate Energy Use: 284 kWh per m² per year

Approximate Carbon Dioxide Emissions: 147.63 kgCO₂ per m² per year

The building energy performance rating is a measure of the effect of a building on the environment in terms of carbon dioxide (CO_2) emissions. The better the rating, the less impact on the environment. The current rating is based upon an assessor's survey of the building. The potential rating shows the effect of undertaking all of the recommended measures listed below. The Recommendations Report which accompanies this certificate explains how this rating is calculated and gives further information on the performance of this building and how to improve it.

Benchmark

A building of this type built to current building regulations at the date of issue of this certificate would have a building energy performance rating of: 34 C

Recommendations for the cost-effective improvement of energy performance

1. Replace 38mm diameter (T12) fluorescent tubes on failure with 26mm (T8) tubes.
2. Replace tungsten GLS lamps with CFLs: Payback period dependent on hours of use.
3. Consider replacing T8 lamps with retrofit T5 conversion kit.

There are additional improvement measures applicable to this building. Refer to the Recommendations Report.

THIS PAGE IS THE ENERGY PERFORMANCE CERTIFICATE WHICH MUST BE AFFIXED TO THE BUILDING AND NOT BE REMOVED UNLESS REPLACED WITH AN UPDATED CERTIFICATE.

Figure4: Energy Report, rated at G as per DM Hall valuation report (appendix 5)

CC proposes much more comprehensive retrofitting interventions to significantly improve the energy rating of the building, and which was part of the brief given to LDN Architects.

The following upgrades to the building fabric are proposed to ensure the building becomes more energy efficient, lowers its energy dependency and works towards Net-Zero (See Section 5.3 and 5.4 of the LDN Feasibility Study).

- External wall insulation to original building: It is proposed to insulate the external walls of the original building with woodfibre insulation in areas where the existing internal wall linings have already been removed.
- External wall insulation to the extension: The extension is of lesser significance and the ceilings have no cornicing (which would be impacted by the installation of insulation). It is proposed to remove the existing wall linings and install woodfibre insulation to the external walls in this area.
- Ground floor ventilation and damp: To address the existing ventilation issues contributing to damp at ground floor level, it is proposed to remove and replace the floors within the original building with a limecrete slab.
- Suspended timber floors to the extension: Within the extension, where suspended timber floors are present, the existing floorboards can be lifted to allow insulation to be installed between the floor joists.
- New slab to workshops: The existing concrete floor slabs within the proposed workshop area are proposed to be removed and replaced with a new limecrete slab, on insulating hardcore.
- Underfloor heating: It is proposed to install underfloor heating throughout the ground floor part of the floor upgrades.
- Window upgrades: Two approaches to upgrading the existing windows have been considered. Where astragals are present, reglazing with vacuum glazing (ultra-thin double glazing) is proposed. This is a higher-cost option. For windows without astragals, the use of slimline double glazing as a more cost-effective alternative is proposed.
- Roof insulation: It is proposed to insulate the roof as part of the reroofing works to improve the building's thermal performance.
- Photovoltaic panels: PVs are proposed to the flat roof section of the main building.

In proposing upgrades to the building, a fabric-first approach has been adopted, focused on reducing heat loss through the building envelope while responding sensitively to the differing significance and construction of the original building and later extension. Proposed measures include the insulation of external walls, upgrading of floors, improvements to glazing and roof insulation. The extent and method of each intervention have been carefully considered to minimise unnecessary alteration to the historic fabric.

New materials, where possible, will be specified to be traditional and compatible with the existing historic fabric, while also seeking to use natural and low-carbon materials. The key materials used externally will be lead sheet, natural stone and lime mortar. Internally, new insulation will be woodfibre and new slabs will be limecrete. All materials will be sustainably sourced. The selection of materials will seek to balance durability, compatibility with the existing building, and reduced environmental impact.

Within the original building, works are generally concentrated in areas where existing wall linings have already been lost or where floor replacement is necessary to address existing ventilation and damp issues. The later extension, which is of lesser significance, provides greater scope for a comprehensive fabric upgrade. Historic windows with astragals are proposed to be retained and reglazed using slim, high-performance glazing rather than replaced. This approach will improve thermal performance while preserving the character and appearance of the existing windows. A proposed air source heat pump will provide a low-carbon source of heating, while photovoltaic panels on the flat roof will further reduce operational carbon emissions.

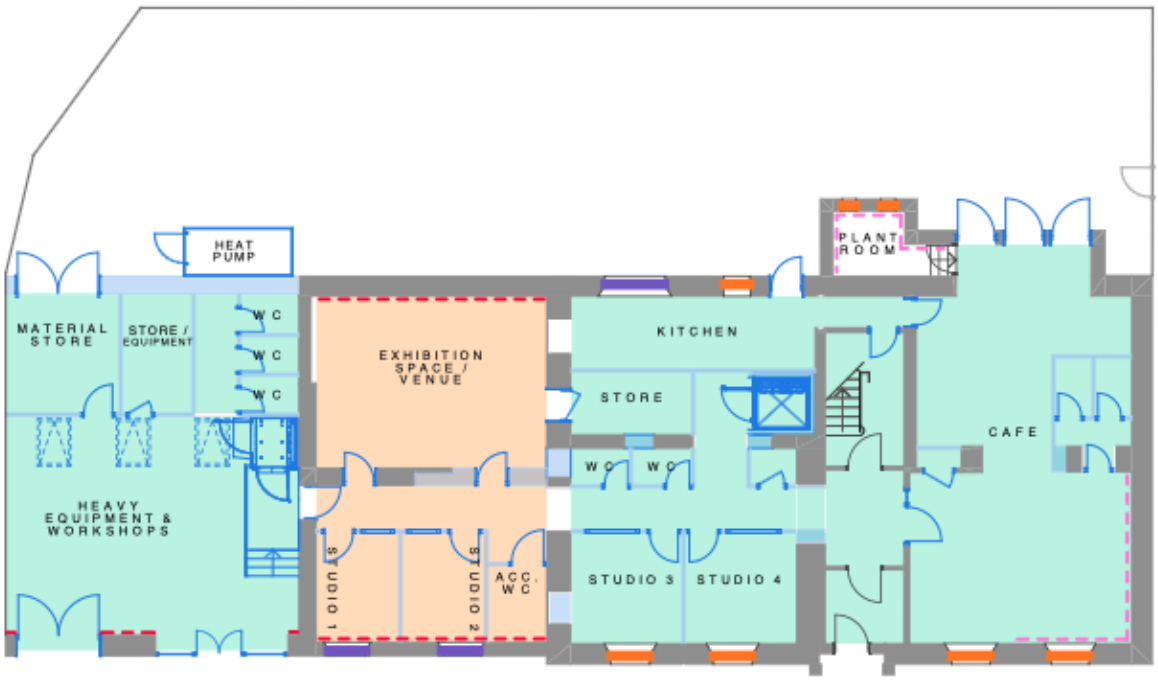
Consideration will also be given to the responsible removal and disposal of existing material. Where possible, materials with value or potential for reuse, including leadwork, stone, joinery and glazing, will be carefully removed and recycled or reused.

Overall, the proposals seek to return a long-vacant building on Selkirk High Street to viable, energy-efficient use, while retaining and conserving the special historic interest of its existing fabric. The project's sustainability extends beyond the physical fabric, giving the Municipal Building a new purpose as a home for creative industries and the wider community.

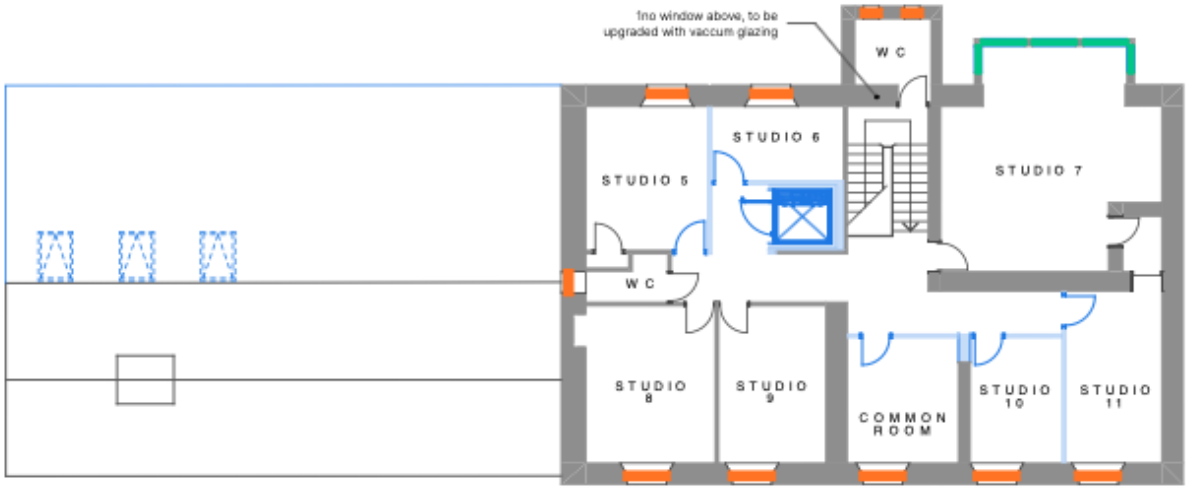
The following **approximate associated costs of £542,000 can** be considered as part of the "sustainability" works. Note that all include allowances for preliminaries, design development, and contingency. See LDN Feasibility Study (p. 76 and pp. 82-89) and Fig.4. below.

- Heat Pump - £95,000.
- PV Installation - £40,000.
- Heat Recovery System - £5,000.
- Works to External Doors/ Windows - £130,000.
- Limecrete Slab - £190,000
- Insulating Works at Timber Joists - £7,000.
- Insulation to Roofs - £50,000.
- Fabric Upgrade to Inner Face of External Walls (at areas noted) - £25,000.

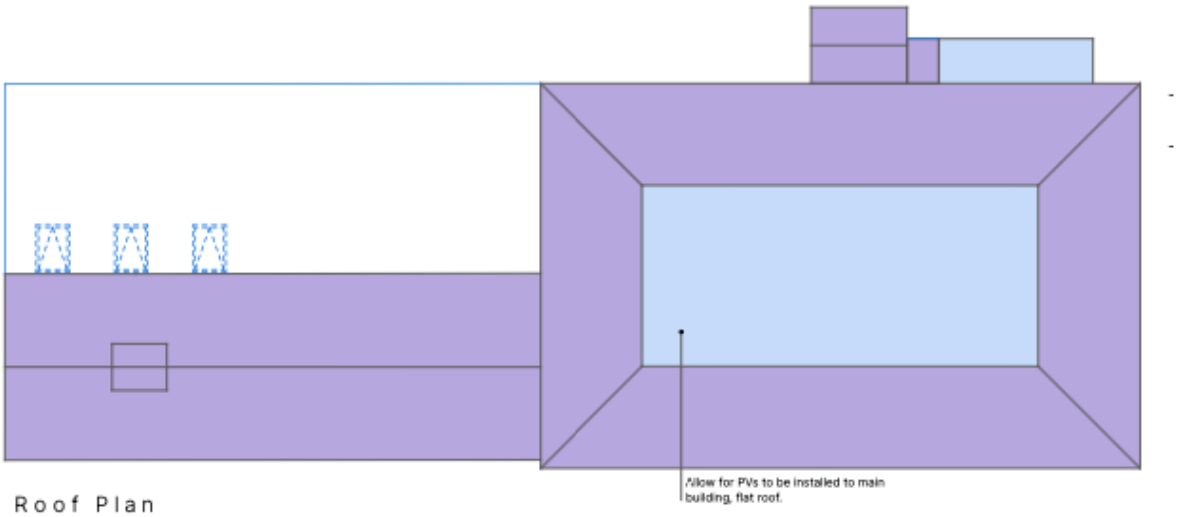
Any works will significantly improve the very poor current rating, but CC proposes to get a new valuation commissioned in Phase 2 (post CAT approval) that will assess what the new energy rating will be once proposed retrofit measures and works towards energy efficiencies have been implemented.



Ground Floor Plan



First Floor Plan



Roof Plan

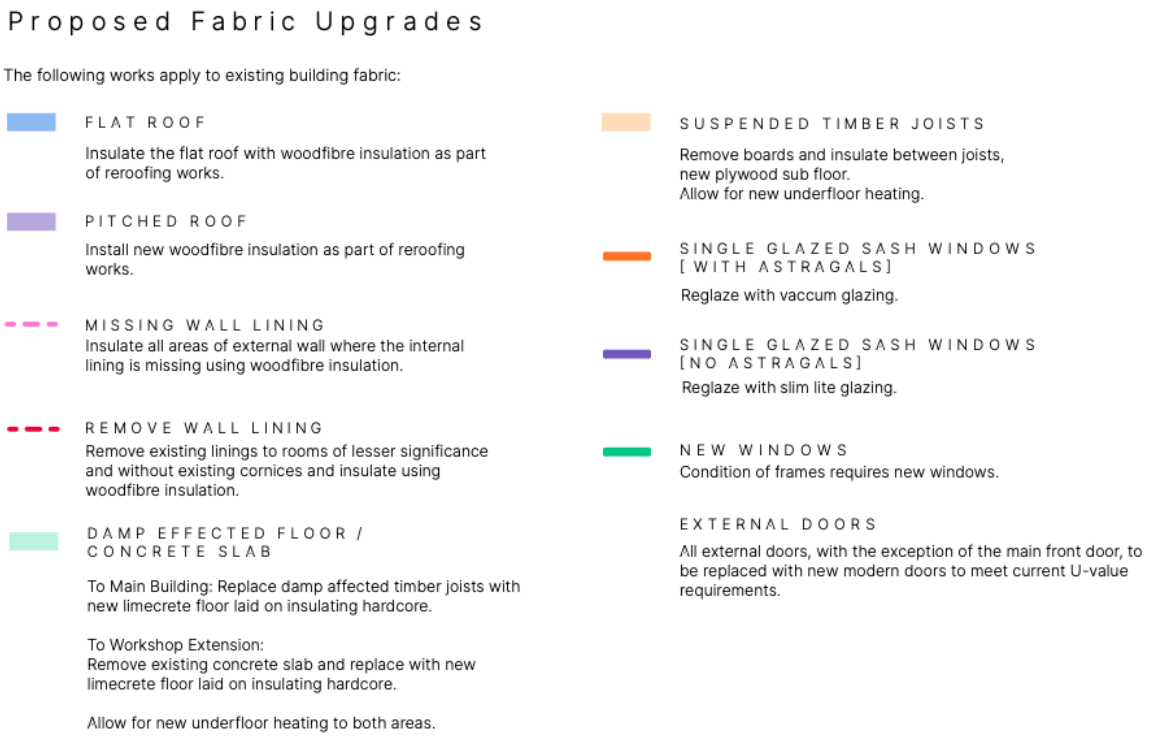


Figure 4: Proposed Fabric Upgrades to make the building more sustainable and energy efficient (p. 68, Feasibility Study)

1.7. Costing

A joint valuation of the building was commissioned by CC and SBC on 6th September from DM Hall, an approved SBC supplier, and was valued at £1 (appendix 5). This removes the need to raise capital funding for purchasing the building through grant funding, community shares or other means.

This allows CC to focus on a two-stage approach over five years:

1) **Phase 1: Capital Renovation** to source inwards investment of capital funding for allied funders, grants and philanthropic sources to fund the retrofitting of the building (Years 1-3). This is detailed in section 2.7.1. Programme fund-raising and delivery will begin in Year 1 to build foundations, processes, impetus and further evidence for operations after the building development.

2) **Phase 2: Programme Funding** (Years 1-5) with a break-even point anticipated in year 2. This is detailed in section 2.7.2. These stages are outlined below.

Stage 1: Capital Renovation

While CC considered a phased approach to the building renovations, LDN advised that this would make the project more expensive and drawn out, and advised against this as tenants would be unable to occupy the building when renovations are taking place. CC has taken this advice and planned accordingly.

The first phase will thus focus on raising the capital required to retrofit the building. This is estimated to be £2.5million and includes retrofit costs, some fit-out costs and Phase 2 RIBA planning and surveys. This is subject to more accurate costing and detailed planning in Phase 2.

The August 2026 condition-survey cost estimate currently provides an indicative baseline of approximately **£970,000**, comprising approximately **£30,000 preparatory surveys / investigation** and **£940,000 building works**. The building-works estimate is currently grouped as approximately £70,000 Immediate, £60,000

Urgent, £620,000 Necessary and £190,000 Desirable. The Feasibility Study gives a £2.10m ex-VAT baseline. This figure is not yet a total project cost. The current estimate of £2.1m excludes professional fees, VAT, building-warrant and planning fees, archaeological costs, insurance, inflation, phasing, fit-out, activity / interpretation costs and most fixtures, fittings and equipment. It should therefore be treated as a dated professional cost estimate rather than a fixed capital budget. It also provides indicative associated allowances of approximately £315,000 professional fees and £10,000-£15,000 statutory fees, with inflation and phasing risks. For the purposes of this submission, we are projecting a £2.5 million cost to complete all the works. As noted, this is subject to the above conditions and is likely to need to be revised. Full details can be found in the LDN Feasibility study (p. 59 and p. 76)

The project funding strategy separates acquisition, development/design, heritage conservation, low-carbon measures and integrated delivery so that funder eligibility and match can be demonstrated without double-funding invoices. This is detailed in section 2.7.

Stage 2: Operational Revenue – 5 year Plan (2030-2035)

While the capital works are underway, CC plans to continue its programming with funding applications underway to Creative Scotland and the National Lottery for a comprehensive programme for 2027-29 that will demonstrate creative and cultural activities for both the community of Selkirk and the creative community of the Scottish Borders - our two target audiences. This will also inform a more refined and detailed **Operational Plan - Five-Year Business Plan (2030-2035)** which is detailed in Section 2.7.2.

1.8. Restrictions and Compliance

The building is Category B listed and lies within Selkirk's historic townscape. The Feasibility Study identifies the need for planning pre-application engagement, planning approval for external alterations/change of use, listed building consent and building warrant approval. It also states that the building is likely to be treated as a High-Risk Building under the new Building Regulations, making pre-application engagement obligatory. The project will therefore proceed through conservation-led design development with Scottish Borders Council and Historic Environment Scotland engagement as required.

1.10. Potential Negative Consequences and Mitigations

The construction work may cause disturbance, and restrict access and parking. Logistics planning from Stage 2 onwards, contractor controls and regular stakeholder communication will help to manage disruption, while maintaining emergency access.

Potential heritage impacts will be addressed through conservation-led design, appropriate traditional materials, listed-building consent, and specialist advice.

To manage affordability pressures on studio users, the project will maintain an affordable-studio policy, offer shared occupancy options, and periodically review rents against market conditions and users' ability to pay.

Financial dependence on programme funding will be reduced by building reliable rental income to cover core running costs, developing other income sources and maintaining a financial reserve.

Potential conflicts between users will be managed through clear leases and licences, room-booking procedures, access controls, event planning and safeguarding arrangements. Uncertainty around energy use and environmental performance will be addressed through detailed mechanical and electrical design, fabric-first improvements, monitoring after occupation and regular reviews of energy use and tariffs.

2. Business Plan

2.1. Reasons for the Request and Proposed Use

The Municipal Building is Category B listed. The LDN Feasibility Study describes layered architectural, civic, municipal, social and associative significance and proposes conservation-led adaptive reuse. The LDN Feasibility Study remains RIBA Stage1 and identifies further surveys, consultant inputs and statutory consents. These are project dependencies rather than completed approvals.

Preferred Option 3A includes lift access, seven first-floor studio rooms plus a common room, four ground-floor architect-labelled studio rooms, a 33.39 m^2 exhibition/venue space, a 73.60 m^2 Heavy Equipment Workshop package and a 60.06 m^2 café area. Proposed fabric upgrades include limecrete floors, insulation, improved glazing, roof insulation, Air Source Heat Pump (ASHP) heating and PV solar panels.

Creative Coathanger's current operating overlay concentrates recurring artist tenancies on the first floor; retains the first-floor common room as shared tenant/common and administration space; leases the Heavy Equipment Workshop and Café/Retail areas; and uses the architect-labelled ground-floor studio rooms flexibly for maker and digital/creative programming. The dedicated exhibition/venue space supports alternating funded public-cultural exhibitions and sales-oriented exhibitions.

2.1.1. Who We Serve

CC aims to work with people and groups across the region at different levels: the regional economy (macro level), with a specific focus on the creative economy (middle) and local Selkirk community (micro).

- Selkirk community
- Freelance creatives, micro-enterprises and cultural producers in the Scottish Borders with a subsidiary focus on young people entering creative careers.
- Local communities, business and public sector partners (e.g tourism, heritage) seeking creative activities and services.

2.1.2. Market Gap

Aligned with our core offer, we have identified these gaps in provision:

- **Training** support to address the fast-changing landscape, particularly around digital skills and training (e.g. AI, AR, podcasting, coding etc.), in order to support innovation
- Lack of affordable, permanent **workspace and shared resources**
- Need for collaborative **cross-sector working** to address regional economic challenges,
- Support R&D and multi-disciplinary ***collaboration***.

These identified gaps have informed our **Operational Plan - Five-Year Business Plan (2030-2035)** detailed in section 2.7.

2.2. Governance and Capacity

Creative Coathanger (CC) was established in 2016 as a community group and became a Scottish Charitable Incorporated Organisation in September 2025 (OSCR: charity number SC054603), with a two-tier governance and membership, and is open to all Scottish Borders based citizens. This project provides an infrastructure for active engagement in economic and cultural development in the region. CC are actively strengthening organisational capacity through buying in freelance services of marketing (ad-hoc), web administration (Alix Lunn), bookkeeping (tbc), and accounting (Eric Wishart).

CC has acquired diverse experience of running creative and cultural events and working in partnership with local, regional and national organisations. In addition, the CC Board are also creative freelancers who collectively have run their own creative businesses, working in and with local communities in the Scottish Borders for many decades. The CC Board thus has a clear, embodied understanding of the creative industries sector. Four of the six Board members also live and work in the Scottish Borders and are familiar with the particular challenges of building a sustainable creative livelihood in a rural area.

Creative Coathanger's charity purposes are 'the advancement of education', ' the advancement of citizenship or community development' and 'the advancement of the arts, heritage, culture and science'. Creative Coathanger's core mission is to strengthen creative livelihoods, build community capacity, and contribute to sustainable regional regeneration. Trustees additionally have specific expertise in digital skills, coding, multimedia, product development and cross-sectoral projects including local heritage interpretation (SBC Museums), architectural creative commissions (Heart of Hawick), science interpretation (Kielder Observatory), and further education (Edinburgh College of Art, Edinburgh University, The Open University), giving them a strong, rooted and relevant USP in the wider ecology of creative sector support.

CC has a current Board of six Trustees. CC is currently run by a volunteer board, having volunteered over 300 hours this year alone (approx. 40 days), and pays freelancers to deliver services (paying SAU Rates of Pay) aligned with restricted funding. CC is working towards a longer term robust financial basis, including working towards paid staff. The CC board has a varied range of experience of writing funding bids and will continue to do so, but may acquire specialist help with large funding bids (e.g. Architectural Heritage Fund). CC board members have played active roles in the delivery of cultural programmes and activities in and around Selkirk over the years; including The Haining at Home (2014, with CABN)[15], the Yarrow Ettrick Selkirk (YES) Arts Festival (2013, 2015, 2017), Borders Heritage Festival (2017), and Reflections at the Haining as part of the Year of Architecture and Design (2016)[16]. Partnerships have included Selkirk CARS, the Haining, MacArts and Creative Arts Business Network (CABN).

CC is a two-tier membership organisation and launched its membership in September 2026. This currently stands at 30 and growing. Membership criteria can be found here: https://www.creativecoathanger.org/members-form. Members will have an active role to play in the organisation and will have voting rights at the AGM.

CC has its registered address in Lilliesleaf, which falls under the Selkirk catchment area.

CC will acquire specialist services to deliver some of its plans and ambitions, e.g. expert heritage building development and architectural design expertise, VAT specialist and social enterprise development skills, through continued partnership working.

2.3. Community Wealth Building: A Holistic Approach to Benefits

The **Community Empowerment (Scotland) Act** framework requires the relevant authority to consider benefits across seven Best Value themes. These are economic development, regeneration, public health,

[15] Haining at Home, 2014: https://www.cabn.info/project/haining-home/

[16] Reflections at the Haining, 2016: [redacted]

social wellbeing, environmental wellbeing, reducing inequalities arising from socio-economic disadvantage, and any other benefits from the alternative use of the asset.

Scottish Government guidance says measuring community value is not straightforward. Its statutory guidance notes that SROI and similar methods can be perceived as too complicated and onerous for most community projects, and records that many authorities have used simple 1–5 benefit assessments. Monetary SROI can be useful, but it should form part of a wider, qualitative understanding of community benefit, rather than replace it.

Scottish Borders Council's own process is consistent with this. The Council asks the community body to explain the benefits of the proposal, how the proposed use will be funded, the level and nature of community support, and to provide a proportionate business plan, typically covering five years. Its CAT policy provides for assessment of benefits alongside alternatives and, where relevant, the case for transfer below market value.

The benefits of the development of the Hub are multiple and include economic, social, cultural and wellbeing benefits. In the words of Neil McInroy, Global Lead for Community Wealth Building, The Democracy Collective: "The arts, cultural and creative sector has always played a pivotal role in advancing community wealth - in shaping a just, innovative, dynamic, and sustainable economy.[17]". The recent research undertaken by Northumbria University (2026)[18] noted that creative communities already contribute to the economic, social and cultural life of places, but without access to affordable, long-term space, creative communities' ability to contribute is limited. As a result, creative space infrastructure should be considered a critical component of local and national CWB strategies.

The Hub proposal aligns with national moves towards more local devolvement of power and decision-making and involvement with local economic and social wealth building (supporting and developing local) informed by the Five Pillars of **Community Wealth Building**, in turn informed by the Preston model. We have used the **Creative Scotland Community Wealth Building Toolkit**[19] to help evidence the Community Wealth Building aspects of this project. This is a free, evidence-based forecast assessment prepared from Creative Coathanger's current project planning information and public government guidance. It is designed to support the Community Asset Transfer (CAT) case. It is not a proprietary Social Value Engine output, an accredited SROI audit, or a substitute for the Council's own assessment.

The five pillars are: 1) inclusive ownership, 2) finance, 3) workforce, 4) spending and 5) land and property.



Figure 5: Five Pillars of Community Wealth Building (Creative Scotland guide) p. 5

CC defines the **Five Pillars of Community Wealth building** as 1) plural ownership of the economy, 2) making financial power work for local places (e.g. through inwards investment), 3) fair employment and just

[17] Community Wealth Building Toolkit for Creative Industries https://communityenterprise.co.uk/assets/uploads/Research%20and%20Resources/community-wealth-building-toolkit-for-creative-industries.pdf

[18] Creative Dundee/AHRC Creative communities (2026) Creative Space as a Catalyst for Community Wealth Building: https://creativedundee.com/2026/10/ahrc-creative-communities/

[19] ibid

labour markets (e.g. paying Scottish Artist Union Recommended Rates of Pay as a principle) and high potential for youth retention in a region with affordable living and strong creative heritage, 4) progressive procurement of goods and services (e.g. actively procuring and developing local talent and 5) socially productive use of land and property (e.g. by occupying and developing a landmark empty building).

The Community Wealth Building will thus benefit not only Selkirk but also the wider Scottish Borders.

2.3.1. Inclusive Ownership

The Municipal Building would become a Community Asset, owned and managed by a charity for the benefit of the creative community and citizens of Selkirk. Membership of CC requires members to live and work in the Scottish Borders, and gives local people a voice and say in how the organisation is run and managed. Through the Impact Hub model and SCIO status, CC has embedded social enterprise principles in its core.

2.3.2. Finance

The Hub project will encourage **inward investment of £2.5m** in the renovation stage from both local, regional and national funding sources. Through the programming model that will underpin part of the income model, further inward investment opportunities will be developed and strengthened

2.3.3. Workforce

The Hub restoration phase will provide opportunities for some apprenticeships in heritage build and restoration to be embedded.

CC aims to attract and nurture local talent and consolidate the initial Hub's fractional post (0.8) into three full-time posts equivalents.The staff will grow with the Hub's growth, thus increasing local capacity and leadership.

Internships will be developed as part of the operational model of the Hub.

The Hub will provide an incubator space to help new creative businesses to establish themselves and retain local talent in the region.

2.3.4. Spending

The Hub will create a focal point for the local creative economy, offering opportunities to sell local artwork in the gallery space, or locally made crafts and design objects in the retail space, in addition to selling creative services, skills development and creative workshops, as well as developing commissioning opportunities for local artists. Thus the Hub becomes an anchor organisation that will help develop a consortium of partners, to help develop local creative and cultural activities and event and training programming. The cafe will also attract spend from visitors unconnected to the creative economy.

2.3.5 Land and Property

The CAT of the Municipal building will help provide much needed, secure and affordable creative studios and workshop spaces and give access to creative spaces, equipment, skills and expertise for the local community.

Having the building owned by the local community, for the benefit of the local community, removes the risk of buildings being developed for profit (St Margaret's House in Edinburgh), the short-term nature of 'meanwhile' spaces (Little Art Hub) and insecure tenancies (Selkirk WASPS).

Owning an asset will help build a more secure future and be helpful for leveraging more inward investment.

Investing in the restoration and upgrading of this historical building also contributes towards the improvement of the town centre and helps deliver climate action by reducing the building's carbon footprint.

Below we explain in more detail how the Community Wealth Building principles can be translated into different value propositions, using some of the Social Value Engine logic.

2.3.6. Theory of Change

The **Theory of Change** Table below links the physical transfer and refurbishment of the building to measurable community outcomes. It separates activities and outputs (which Creative Coathanger can directly deliver) from outcomes (which require evidence over time). CC will use this framework going forward to help build evidence of the impact of the Hub, if its CAT bid is successful.

Need / input	Activity	Immediate output	1–3 year outcome	Longer-term public benefit
Vacant listed civic asset; shortage of suitable affordable creative space	Acquire and refurbish; create studios and shared facilities	Building brought back into active use; lettable studios and programme rooms	Higher occupancy; more stable creative workspace; increased collaboration	Town-centre regeneration; stronger local creative economy; protected heritage asset
Limited access to specialist creative/maker facilities	Operate maker, digital and specialist workshop spaces	Bookable equipment, sessions and training	Skills development; lower barriers to equipment; new products/services	Enterprise resilience, innovation and local earning opportunities
Need for accessible cultural/community activity	Exhibitions, events, workshops and community hire	Regular programme and affordable bookable space	More participation; social connection; confidence and learning	Improved wellbeing, belonging and community capacity
Underused town-centre building and weak day-to-day footfall	Café/retail tenancy and public-facing programme	More routine visits and reasons to spend time in the centre	Additional local footfall and linked spend	Regeneration effects and support for nearby town-centre activity
Climate and fabric risks associated with an old vacant building	Fabric-first conservation, improved access, heat pump and potential PV	Repaired fabric; improved energy systems; retained embodied fabric	Lower operational-carbon pathway; longer useful life	Environmental benefit plus avoided loss of a listed community asset

Scoring scale used here: 1 = little evidence/weak connection; 3 = plausible and partly evidenced; 5 = strong direct connection with good current evidence. Scores are an internal self-assessment.

Best Value theme	Score	Evidence now	Evidence gap / next test	Assessment
Economic development	4/5	Affordable studios; workshop/café activity; 0.8 FTE core post; near break-even operating model; demand evidence for workspace.	Track tenant occupancy, business survival/growth, paid commissions, local procurement and jobs/FTE supported.	Strong
Regeneration	5/5	Direct reuse of a vacant Category B listed civic building in Selkirk town centre; public-facing uses and café/retail proposed.	Establish opening-year footfall baseline and nearby-business feedback.	Very strong

Best Value theme	Score	Evidence now	Evidence gap / next test	Assessment
Public health	3/5	Arts/culture participation is associated with wellbeing benefits in government evidence; accessible programme/community use is proposed.	Measure actual participant frequency, ONS wellbeing measures and social isolation/loneliness outcomes.	Moderate
Social wellbeing	4/5	Community/event space, exhibitions, workshops, affordable bookable rooms and collaborative workspace provide plausible routes to connection and participation.	Broaden resident consultation and track unique users, repeat participation, community hires and satisfaction.	Strong, developing
Environmental wellbeing	4/5	Adaptive reuse retains existing fabric; fabric-first approach, heat pump and potential PV are proposed.	Quantify baseline/forecast energy use, operational emissions and any embodied-carbon savings.	Strong, developing
Reducing inequalities	3/5	Affordable space and improved physical access can reduce barriers to participation and enterprise.	Adopt explicit concession/access policy; measure postcode, income/barrier indicators where proportionate; monitor disabled access and youth access.	Moderate
Other benefits	4/5	Heritage conservation, cultural identity, education/skills and stewardship of a civic asset are directly relevant additional benefits.	Document heritage engagement, learning activity and public interpretation once programme is fixed.	Strong

Indicative total: 27/35 (77%)

The UK Government's Culture and Heritage Capital evidence provides monetised health/wellbeing estimates associated with defined levels of cultural engagement. The published models apply to England and specific age/frequency groups, so they are useful as external comparators rather than automatic values for Selkirk. Three relevant examples are:

Public evidence model	Required engagement	Published value	How to use here
General culture/heritage engagement – adults 30–49	Every few months or more	£992 per eligible person/year	Use only if monitoring confirms the age/frequency definition, or as a clearly labelled scenario comparator.
General arts/culture participation – adults 30–49	Once a week or more	£448 per eligible person/year	Use only for participants meeting the stated frequency/age definition; do not apply to casual visitors.
WELLBY – measured life-satisfaction change	Measured change on 0–10 life-satisfaction scale	£15,958 per 1-point annual change (central, 2024 prices)	Potentially stronger project-specific method once pre/post wellbeing data are collected. Use low/high sensitivity values too.

Important: these values must not simply be multiplied by all visitors, and different proxies for the same person/outcome must not be added together. The DCMS guidance itself says organisation-level use needs additional data and assumptions.

To show how a transparent free model works, the table below applies deliberately conservative illustrative reductions of 30% deadweight, 25% attribution and 5% displacement. No drop-off is applied because the table is one-year only. These adjustment percentages are assumptions for sensitivity testing, not official government defaults.

Eligible people/year	£448 arts-participation proxy	Net after illustrative adjustments	£992 culture/heritage proxy	Net after illustrative adjustments
50	£22,400	£11,172	£49,600	£24,738
100	£44,800	£22,344	£99,200	£49,476
250	£112,000	£55,860	£248,000	£123,690
500	£224,000	£111,720	£496,000	£247,380

Recommended future monetary formula

Once repeat participants are surveyed, a more project-specific wellbeing estimate can be produced using: eligible beneficiaries × measured life-satisfaction change × public WELLBY value × duration × (1 − deadweight) × (1 − attribution) × (1 − displacement). This can be updated annually without any proprietary software.

In summary, the Hub will build Community Wealth through the following activities, which can be quantified using the above methodologies.

- The conservation-led reuse of a Category B listed civic building will help revitalise and anchor this building in the High Street and is a continuation of a long public/community association.
- The provision of affordable and flexible workspace for artists and creative micro-enterprises, including shared occupation where the developed design permits will support economic development and create new jobs, secure existing ones and provide income generating opportunities for local creatives through programming opportunities).
- Year-round opportunities for creative learning, youth and adult participation, maker activity and digital/creative skills.
- A dedicated exhibition/venue space capable of supporting public cultural consumption as well as sales exhibitions.
- Additional town-centre activity through the café/retail operation, exhibitions, tenants, workshops and visitors.
- Local creative-economy infrastructure supporting collaboration, skills, production, visibility and enterprise.
- Fabric-first refurbishment, heat-pump heating, PV potential and reuse of an existing building rather than demolition/new-build embodied carbon.

2.4. Partnerships and Alliances

Through its previous work, Creative Coathanger has developed long-term partnerships and alliances. CC is working closely with local partners, including the Selkirk Development Trust, Selkirk Regeneration SCIO, Selkirk Community Council with input from The General Store, Transform Arts CIC, and has received support from Scottish Borders Council (SBC), Development Trusts Association Scotland (DTAS), SOSE and Borders Community Action.

This project has the explicit support of the Selkirk Regeneration SCIO, local MP John Lamont (see attached letters of support) and the support of three local councillors (Cllr. Leagh Douglas, Cllr. Caroline Cochrane and Cllr. Elaine Thornton Nicol). CC has also liaised with The Haining Trust, the Selkirk Community Council and CABN.

The Feasibility Study is supported by professional input from heritage conservation architects LDN Architects, Elliott & Co, Irons Foulner and Morham & Brotchie.

CC has been in touch and continues to liaise with local councillors, SBC, SOSE, DTAS and Borders Community Action, who are supporting with advice and signposting to relevant advice, information and support. Discussions with potential funders has informed the **'Cocktail of Funding'** (see 2.7.3) including capital funding from AHF, Heritage Lottery, HES, Foundation Scotland, SOSE, and others. CC has also discussed project funding with Creative Scotland and National Lottery and will be submitting two bids later in 2026 to support programming in 2027-2029.

The next stage requires the additional surveys and specialist consultant inputs listed in the Feasibility Study, including CDM Principal Designer, fire, acoustic and access advice.

2.5. Operating Model

The Hub will be set out in **two distinct zones**. The top floor will be for tenants only and will provide long-term, secure tenancies for creative businesses, with secure 24 hours access for tenants only and lift access. The top floor will provide stable, long-term security for local creative businesses. This zone will have limited capacity for growth, as once fully occupied, rents will only be able to be increased in line with inflation and market trends. This zone will, however, provide a substantive portion of the income generation of the building and critically, will provide a community of creative business that are central to the vibrancy of the building's operational model.

Meanwhile, the entire ground floor will be community focused, with a café and retail area, selling local products and produce. Flexible workshop spaces and an exhibition venue will provide the physical space to run an annual programme of events. An information section 'About Selkirk' provided and maintained by Selkirk Community Council will be integrated into the ground floor. These ground floor spaces offer scope for growth through the programme outlined in Section 2.7.3.

Area	Operating approach
First-floor studios	Recurring annual leases/shared occupancy; exact subdivision/dual occupancy subject to Stage 2 design confirmation. Gross portfolio lease target £25,200 p.a.
First-floor common room	Dual function: tenant common room and Creative Coathanger administration/office space; not independently let.
Heavy Equipment Workshop	Specialist industrial/creative multiple shared tenancy / current central lease assumption £8,714 p.a.
Café/Retail	Commercial tenancy; current central lease assumption £7,299 p.a.; gallery operation is separate.
Ground-floor programme rooms	Four studio rooms operated as Maker/workshop and digital/creative programme capacity. Project grants and participant fees will contribute towards relevant building and administration costs.
Exhibition/venue	Approximately six months funded/public-cultural exhibitions with facility/admin recovery and six months sales-oriented exhibitions; 50% CC sales commission planning assumption.
External bookings	Programme rooms available for third-party bookings when not committed to CC activity; £4,000 annual target.

Table 2: Operating approaches for each space

2.6. Staffing and Management

During **Stage 1, Capital Renovation**, the CC Board will seek advice and support from relevant bodies such as the *Architectural Heritage Fund, Historical Environment Scotland, DTAS* and *Borders Community Action*. CC is also working closely with *Selkirk Regeneration SCIO*. CC is also working with *Accelerate Scotland* to build capacity in the organisation.

As part of the funding envelope, the Capital Funding will purchase the professional services of conservation architects, quantity surveyors and other professional services to support and guide us through this process. The CC Board of Trustees will also seek to appoint additional Trustees and will seek specific support and expertise in this field.

As outlined in section 1.8.2, CC is continuing its Programme Funding which will include admin and marketing support.

During **Stage 2, Operational Revenue - Five-Year Plan** (2030-2035) the initial organisational envelope is £36,000 p.a., consisting of a 0.8 FTE initial post for Hub Manager employment cost with provision of modest external accounting costs (accounting/payroll/ independent-examination) and direct communications expenditure.

Beyond the five-year business plan (post 2035), the development of this fractional post is planned to be consolidated into three full-time posts equivalents : 1) *Hub Manager (*0.5 FTE*)* who will be responsible for the general direction, funding and overall programming and business support of tenants, and will be supported by 2) a *Programme Officer* (0.6 FTE) who will be responsible for the delivery of the programming, including classes, community events and workshops as well as exhibition and retail space programme, funding and operations and 3) a *Marketing Officer* (0.4 FTE) who will be responsible for marketing the Hub's

programme and the wider Selkirk community events, in collaboration with Selkirk Community Council and Selkirk Regeneration SCIO and 4) an *Operations Manager (1FTE)*, responsible for building maintenance, including responsibility for the technical operations of the building, such as care of equipment and plant.

Programme budgets may buy out a fair share of manager/administration time where attributable to funded activity; this is treated as programme cost recovery, not as a reduction in the salary expense line.

The Café will be leased out to a local operator and will be run independently from the Hub. It is estimated that it will generate at least three FTE posts (manager and waiting staff). Selkirk currently has four cafés: one which serves very good coffee, Three Hills, and three which are excellent tea places: Peony Rose, Tibby's and The Waterwheel. The latter is outside the town centre, so not relevant. The addition of the café will be done in consultation with the community, with a view to either complementing existing delivery or enabling an existing business to expand into larger premises. The possibility to use the hospitality space as a pizza restaurant is also being considered. These negotiations and discussions will be part of Phase 2.

It is estimated that the studio spaces will provide secure tenancy for at least seven creative businesses.

To sum up, the Hub will create six new FTE posts, and secure another seven to ten existing businesses as well as provide many opportunities for freelance contracts and thus work opportunities for local creative businesses.

2.7. Finances

The Hub project is a project of two distinct phases: 1) **The Capital Project** phase, the stabilization and renovation of the building, requiring a capital investment of £2.5 million, as indicated in the Feasibility Study, and estimated to require 3 years, and 2) a revenue-based **Operational Model** with **a break-even point £78,200** and concomitant job creation, with an initial five-year plan (2030-2035) and longer-term ten-year vision.

To date, Creative Coathanger's income has been fully project-based with restricted funding. Developing a more balanced funding model, including elements of flexible or ongoin support, is a medium-term objective as organisational capacity grows.

Over the next three years, Creative Coathanger will move from a primarily project-funded organisation to one with growing operational stability, underpinned by a permanent Hub. This asset will also create a financial lever for future developments as required. Costs will increase gradually in line with delivery capacity, staffing, and premises responsibilities, with significant capital and fixed costs deferred until feasibility and funding milestones are achieved.

Creative Coathanger will operate through a **mixed funding model**, with the balance between grant income and earned revenue shifting over time. In the short term, activity will be primarily supported through project and development funding. As delivery capacity and infrastructure develop, earned income from training, events and, in the longer term, hub-related activity, will increase, while continued public and charitable subsidy will remain essential to ensure affordability, access and fair work.

Operational costing will be modelled on specific building requirements (informed by feasibility study). Rental rates will be informed by other comparable venues such as Mushroom Works in Newcastle, Coburg Studios in Edinburgh, WASPS Scotland-wide. Most rentals are inclusive of utilities (shared costs) - with fair use policy - and often include additional benefits, such as shared facilities (e.g gallery space for marketing and events, teaching space, shared administrator and/or technical support, providing both shared assets and work opportunities.

A research visit to Inverness Impact Hub has also informed this plan. We will seek collaboration with them as well as the wider international Impact network for support, advice and mentoring. CC is also liaising with the Old School in Thornhill (OST), Dumfriesshire, who are operating a similar type of creative hub.

2.7.1. Phase 1: Capital Renovation (year 1-3) (2027-2030)

The Capital Project phase is the stabilisation and renovation of the building, which will require a capital investment of £2.5 million, as indicated in the Feasibility Study, and is estimated to require 18 to 24 months to plan, source funding and appoint contractors, and another estimated 18 months to implement. We therefore estimate this phase to require **three years** minimum.

For the first phase, the current Feasibility Study suggests a professional capital baseline is £2.10m excluding VAT. This is not the total project cost: professional fees, VAT, statutory fees, insurances, inflation, phasing, fit-out and activity/interpretation costs require separate treatment. Total estimated cost is thus £2.5 million. CC will seek support from a VAT advisor to work towards VAT registration and reduce VAT liability if possible. We are therefore working on a £2.5 million capital investment target. This may change with revised costs. We also expect that there might be project budget overrun, as is typical of heritage renovation projects. CC have researched overrun costs on similar projects that indicate this, and are cognisant of this fact (Appendix 6).

The **Capital Investment** strategy separates acquisition, development/design, heritage conservation, low-carbon measures and integrated delivery, so that funder eligibility and match can be demonstrated without double-funding invoices. The 'cocktail of funding' outlines funding from the Architectural Heritage Fund for development support (up to £45k); Historic Environment Scotland support targeted at eligible historic-fabric conservation (up to £750k); National Lottery Heritage Fund as a principal integrated heritage-delivery prospect (up to £1m); and supplementary/match funding from appropriate energy, heritage, charitable and regional sources with SOSE identified as funder of last resort. Table 4 below demonstrates this 'cocktail of funding' from diverse sources that each have specific funding remits. Initial conversations have been started and some funders have agreed in principle (HF, Heritage Lottery with HES pending), but this is of course subject to a successful CAT process, acquisition of the building and detailed funding applications submitted.

YEAR	ACTIVITY FOCUS	FUNDER	FUND CAPACITY
Year 1: 2027	Capital Funding CAT package; purchase costs, **Stage 2 briefs and surveys, urgent remedial works.** Specific fundraising to support both **heritage and net zero aspects of the project**	AHF	up to £45k
		Scottish Land Fund	not required as value £1
		Heritage Lottery	up to £750k
		HES stage 1 HPF 50%	£750 - £1.5m
Year 2: 2028	Capital Funding Design development, pre-application/ consents, building-warrant work, detailed cost plan and principal capital fundraising. Continued fundraising to support **heritage and net zero aspects of the project as well as fitting out costs Commencement of capital works**, subject to consents and funding	Heritage Lottery	up to £750k
		HES Environment Grants Scheme	£100k to £750k
		Access: Foundation for Social Investment Energy Efficiency Social Investment Programme (EESIP)	£25k -£250k (repayment required)

Year 3: 2029	Capital Funding Depending on Funding Gap: Funding close/procurement and **fitting out costs. Completion of capital works,** subject to consents and funding	HES Environment Grants Scheme	£100k to £750k
		Heritage Lottery	up to £750k
		SOSE - funder of last resort	TBC

Table 3: Capital Funds timetable and sources

2.7.2. Phase 2: Operational Revenue - Five-Year Plan (2030-2035)

The **Five-Year Business Plan** projects a stabilised operating model with a gross annual income of £79,213 against annual operating expenditure of £78,200, a gross target surplus of £1,013, which we hope to achieve in Year 2. The five-year plan sets out the means by which we aim to achieve this, and the scale of planned growth.

The **Operational Revenue income** is based on two distinct income streams: 1) Rental income and 2) Programme income which we detail in the Section 2.7.3 below. We aim to break even in Year 2, and plan incremental growth of 5% in each subsequent year, subject to revision and analysis of 2028/30 programme income.

The Five-Year Plan periods below are an indicative planning sequence only. The Five-Year Plan must not be treated as a contracted programme until CAT, funding, design and procurement milestones are fixed. The funding focus and targets are based on the funders' remit and their maximum allowable funds (see Table 4). These are subject to normal funding submission procedures and competitive tendering processes.

Income comprises rental income of £41,213, art-sales commission of £9,000, and £29,000 programming/room/exhibition cost recovery (see Table 5). These programme and commission figures are planning targets, not secured income. Applying a 5% vacancy/collection sensitivity to tenancy income alone gives approximately £77,152 total income, and a £1,048 annual shortfall, demonstrating the need for further operating-funding resilience.

Measure	Current central planning value
Gross tenancy income	£41,213
Art-sales commission	£9,000
Programming/room/exhibition recovery	£29,000
Total gross operating income target (to be achieved by year 5)	£79,213
Annual operating expenditure	£78,200
Gross target surplus/(shortfall)	£1,013
5% tenancy-vacancy sensitivity income	£77,152
5% tenancy-vacancy sensitivity surplus/(shortfall)	£-1,048

Table 4: Overview break even target for Year 2 Expenditure and Income

The longer-term business plan (10 years) aims to increase the surplus and create more jobs to increase operational capacity, build up a larger maintenance budget, and generate a larger surplus, to build long-term resilience. This is not covered in this submission.

2.7.3. Income

The **Operational Business Plan income** is currently conservatively projected for a gross annual income of £79,213 against annual operating expenditure of £78,200, a gross target surplus of £1,013 by Year 2, as detailed in **Table 6** below.

Income /Allocation (05_SBAC)	Assumptions Space	Annual Value
Rental Based Revenue: First-floor Studios * see Appendix 8 105.92 m^2 (1140.11 sqf)	Tenancies: recurring annual leases/shared occupancy. Exact subdivision/dual occupancy subject to Stage 2 design confirmation.	£25,082
Rental Based Revenue: Ground Floor Fire Station - Heavy Equipment Workshop 73.6m2 (792.2 sqf)	Specialist industrial/creative tenancy package Commercial tenancy; current central lease assumption	£8,714
Rental Based Revenue: Ground Floor: Café/Retail 60.06 m2 (652.3 sqf)	Commercial lease with fitted out commercial kitchen.	£ 7,299
	Tenancy based income:	£41,213
Programme based revenue: Ground-floor programme rooms 35.45m2 (381.6 sqf)	Four studio rooms operated as maker/workshop and digital/creative programme capacity; grants/participant fees include attributable facility/admin recovery	£15,000
	Programme rooms available for third-party bookings when not committed to CC activity; £4,000 annual target.	£4,000
Programme based revenue: Exhibition/venue 33.39m2 (359.4 sqf)	Approximately six months sales-oriented exhibitions; 50% CC sales commission	£9,000
	Approximately six months funded/public-cultural exhibitions with facility/admin recovery	£10,00
Total Programming based income		38,000
Total Gross Operating income		£79,213

Table 5: Overview of Income Streams from Rental and Programming combined

The **Rental-based revenue** includes the income generated by the long-term rental of studio spaces on the entire first floor to local creative business and cultural organisations. It has been suggested that this could include CABN, as an example. The provision is for seven studio spaces using mostly the existing building layout, thus requiring minimal building works. Spaces will be allowed to be sublet, as is the norm in the creative industries, to make rentals more affordable and allow tenants to share resources and build community. The rental income is based on conservative estimates of comparative studio rents paid elsewhere. The first floor will be serviced by a lift to make it fully accessible and will have a common room to provide a tenants' community focal point with tea point.

In addition to the top floor, the ground floor Fire Station space will be converted to a workshop space to house light industrial making equipment, such as kilns, wood working and welding equipment which might require specialist infrastructure, such as 3-phase electricity and ventilation. Although this space will be

rented out, it is envisaged that the facilities will be accessible to the public through workshop provision and programming.

Table 6 below demonstrates the income generated at the lower end of the £ per square foot (£16), or £22 as the higher end, according to research undertaken on market prices of comparable studio spaces in Scotland.

Ground floor space	£16/sq ft	£19/sq ft	£22/sq ft
GF01+02 combined	£2,576	£3,060	£3,543
GF03+04 combined	£3,529	£4,190	£4,852
Industrial workshop incl. stores	£12,676	£15,052	£17,429
Total annual income	**£18,781**	**£22,302**	**£25,824**
Monthly equivalent	£1,565	£1,859	£2,152

Total rentable ground floor area: 109.05 m² (approximately 1,174 sq ft).

At the three rental rates, the projected annual gross rental income is:

- **Low estimate:** £18,781
- **Mid estimate:** £22,302
- **High estimate:** £25,824

Table 6: Low to high income rates of studios spaces

The **Café will be leased** out and generate a rental income.

The **Programme-based** revenue includes the 1) delivery of training and skills through workshop programmes, 2) CPD events, 3) artist commissions, 4) exhibitions and events programme and 5) sales of local products. These activities will take place in the four ground floor studio spaces (operated as maker workshops or digital/creative programme capacity), the Fire Station workshop, the Exhibition/Event space, and the Cafe/Retail Space respectively. The physical spaces of the Hub building are therefore critical to the ability to deliver this ambitious programme.

All programming activity through grants/participant fees/income generation will include attributable facility/admin recovery of 10%, to help build resilience in the organisation and build up capacity. All workshop cost delivery will be charged at Scottish Artists' Union (SAU) rates of pay to ensure we can pay local creatives to deliver, and thus increase not only CC capacity but also the local capacity of the creative service providers.

1) **Training and skills workshops** including the recent Making Selkirk Festival (June 2026), with the aim of repeating this annually. This offered a range of creative workshops delivered by Selkirk or locally-based artists for the local community. CC ongoing skills workshops have had a focus on creative tech skills and innovation, delivered in partnership with others, e.g. Creative Tech introductory training in high schools funded by South of Scotland Enterprise (SOSE) (2024), Creative Tech Tasters programme, funded by UK Shared Prosperity Fund (SPF) (2025) or Creative AI, in collaboration with Creative Arts Business Network (CABN) (2026) These are aimed at both creatives and non-creatives. Recent collaboration includes a joint training programme with CABN, which is continuing in 2027/28.
2) CC has already delivered a series of **CPD events**, including the 2023 tri-annual flagship Creative Business Works Festival[20], to provide advice, networking and inspirational case studies to support

[20] Creative Business Works Festival (2023) https://www.creativecoathanger.org/cbwf

practical creative livelihoods (digital skills, sustainability, marketing, circular economy, creative tech, funding and business planning). Longer-term ambitions include providing CPD in creative industry foundational skills for school teachers and SQA accreditation for artists who also provide professional creative training, allowing their services to be promoted and sold throughout Scotland. Access to these opportunities is hard for individual artists to achieve and would benefit from being explored under an organisational umbrella. The Raise Your Game programme run by Creative Edinburgh is another artist CPD opportunity we plan to promote).

3) CC is also developing a new income strand of **artist commission opportunities** with the aim of becoming the go-to-place for communities, businesses and organisations who want to commission or work with an artist, but do not know where to start. This Agency approach, with CC acting as broker and referrer, has good potential for growth. Meanwhile, CC is also developing its 'coathanger' approach of offering creatives the structure and support to develop their own creative projects, which they can 'hang on' the 'creative coathanger', as often individuals are unable to apply for larger, more ambitious funding. This approach would help to scaffold those ambitions, with CC retaining a 10% admin and support fee to go back into CC funds.
4) CC wants to develop an **exhibition programme**, potentially in collaboration with others, such as Live Borders (conversation pending) which will include an offer of touring exhibitions (incoming) and two annual Borders-focused seasonal events (See Appendix 7 for Sample Exhibition Outreach Programming). Income will be generated though both touring exhibition grants and/or ticketing income.
5) The sales of local artworks and creative products and services will be generated through both the exhibition programme outlined above and the sale of local products through the Retail Space in the Café. A commission rate of 50% is industry standard in return for active marketing and selling of the goods received on Sale or Return basis (SOR).

The Programme of CC commissions and co-production will embed fair pay and inclusive access, putting creative practice at the heart of programming, to create opportunities for local communities to take part in cultural and creative activities, and support local creative businesses through paid opportunities that embed fair pay.

CC will continue to work with creatives, creating paid work opportunities for local creative businesses and developing partnerships with other regional and national organisations and stakeholders. Current funding bids to Creative Scotland and The Lottery are in development (in collaboration with The Haining) to deliver a programme of place-based artist commissions that celebrate Selkirk and explore models which could have wider application.

The programming strand of CC continues earlier programming such as the *Creative Coathanger Everything Festival* (2016), *Mapping the Borders* (2017), *Creative Coathanger Making Festival* (2018) and Life Drawing (2018), *Creative Business Works Festival* (2023) and recent *Scale* R&D collaboration with Connecting Threads (2025). These partnerships have included the National Library of Scotland, MacArts, The Haining, CABN, SOSE, local and national universities and others.

In addition, CC board members have successfully contributed towards and delivered various cultural festivals in the region, including the Borders Heritage Festival, YES Arts Festival, and Alchemy Film & Arts (The Big Border Bogle Hunt, an immersive live theatre/augmented reality (AR)) event. We have attended cutting-edge national training and industry events, including Creative Tech Gathering Scotland (CTGS), Split Screen Creative Tech in Performance programme (Royal Conservatoire of Scotland), and demonstrated at RCS Innovation Studio.

2.7.4. Operating Expenditure

The maintenance and cleaning figures are stabilised post-renovation planning assumptions, not current-building repair costs. Given the scale and condition of the present building, they depend on completion of the capital refurbishment and should be reviewed against actual service contracts, O&M information and early operating experience.

The evidence base for this was collated through desk research, including use of targeted AI- supported searches: see table 7.

Cost item	Annual central
Centre management, administration, finance & communications	£36,000
Heating & electricity	£12,000
Water / sewerage / landlord drainage	£2,000
Building insurance	£7,000
Routine building maintenance	£3,000
Lifecycle / planned maintenance	£2,000
Grounds / external maintenance	£2,000
Cleaning	£3,000
Consumables	£2,000
Fire-safety servicing & monitoring	£2,000
Broadband & network services	£1,200
Non-domestic rates	£1,500
Operating contingency	£4,500
TOTAL ANNUAL OPERATING EXPENDITURE	£78,200

Table 7: Detailed overview of expenditure

2.8. Monitoring

In addition to the governance structure outlined in section 2.2., the monitoring of the project will be evidenced through data collection of the following, which will be a key task for the Hub Manager to undertake.

- Studio occupancy, arrears and average realised rent.
- Programme grant success and actual facility/admin recovery.
- Room-booking utilisation and realised hire income.
- Gallery gross sales and commission.
- Energy, cleaning, maintenance and insurance against budget.
- Cash reserves and lifecycle provision.
- Participation, access and community-benefit outcomes separately from financial performance.

This will provide Creative Coathanger with the evidence and the data needed for future funders.

Outcome area	Measure	Minimum collection method	Suggested reporting frequency
Building use	Studio occupancy; room-hire hours; event/workshop sessions; unique visitors and repeat users	Booking/tenancy system + simple attendance counts	Quarterly / annual
Creative economy	Creative businesses/sole traders supported; paid commissions; training participants; new products/services; jobs/FTE where evidenced	Tenant/participant annual survey + finance records	Annual
Affordability & access	Average studio/hire price; concession/free hours; disabled access; participation by relevant target groups	Pricing records + optional equality monitoring	Annual
Wellbeing & connection	ONS life satisfaction (0–10); loneliness/social connection question; confidence/belonging for repeat participants	Short baseline and follow-up survey for repeat programme users	At entry and 3–12 months
Town-centre regeneration	Public footfall; café/retail activity; event attendance; nearby-business/partner feedback	Door counter/manual sample + annual local stakeholder pulse survey	Quarterly / annual
Environment	Energy use (kWh); heat source; renewable generation; operational carbon where calculable; conservation milestones	Utility data + building records	Annual
Heritage & learning	Heritage events, interpretation activity, school/learning sessions and participants	Programme records	Annual
Community support	Membership/supporters; consultation responses; volunteer hours; partner letters/feedback	CRM/simple register + consultation log	Annual

3.0 Conclusion and Next Steps

The proposed community asset transfer offers an opportunity to restore a long-vacant civic building and establish a creative hub serving Selkirk and the wider Borders. Affordable workspace, cultural programmes and community activity would support creative livelihoods, develop skills and contribute to town-centre renewal.

Creative Coathanger seeks support to progress the proposal to its next stage: developing the design, confirming costs, testing the operating model and securing a funding package. Transfer would be subject to agreed terms and a credible plan for the building's refurbishment and long-term operation.

Undersigned,

CC Board of Trustees

[redacted]

25th of October 2026

Contact Information

[redacted], Chair, Creative Coathanger SCIO

creativecoathanger@gmail.com / [redacted]

www.creativecoathanger.org

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