

**TOWN CENTRES AND WATERFRONTS
CHORD OUTLINE BUSINESS CASES**

1. Introduction

- 1.1 This report and the accompanying report from RPS Consultants provides information to allow the Council to consider the Outline Business Cases (OBC) for the town centres and waterfronts of Campbeltown, Helensburgh, Oban, Rothesay and Dunoon and, if so resolved, to allocate resources accordingly.

2. Recommendations

That the Council –

- 2.1 Notes the Outline Business Cases and associated papers, and the report from RPS.
- 2.2 If so resolved, prioritises and allocates resources in the Capital Plan.
- 2.3 Agrees that any capital receipt generated through the implementation of any project will be allocated to the project.
- 2.4 Requests a further report, to be submitted to the Executive, setting out the structure, process, resources and timescale needed to take the prioritised projects through to Full Business Case and, thereafter, to delivery.
- 2.5 Recognises that the emerging revised Corporate Plan should reflect the priorities determined by the Council in the light of the development of the Outline Business Cases for the town centre/waterfront developments.
- 2.6 Noting that while other projects have not been accorded the same priority corporately, endorses the direction for each area as outlined in their Outline Business cases and utilises the Outline Business Cases to inform subsequent reviews and prioritisation of the Capital Plan.

3. OBC Development and Scoring Process

- 3.1 At its meeting on 26 September 2007 the Council decided to take each of the town centre and waterfront projects to OBC stage. It also agreed that the OBCs would be subject to a process of independent scrutiny.
- 3.2 The Executive on 20 December 2007 agreed to a process which provided for one consultancy firm to be appointed to prepare the OBCs for all town centre and waterfront projects and a separate firm to be appointed to score the OBCs against scoring criteria agreed by the Council originally in February 2007 and

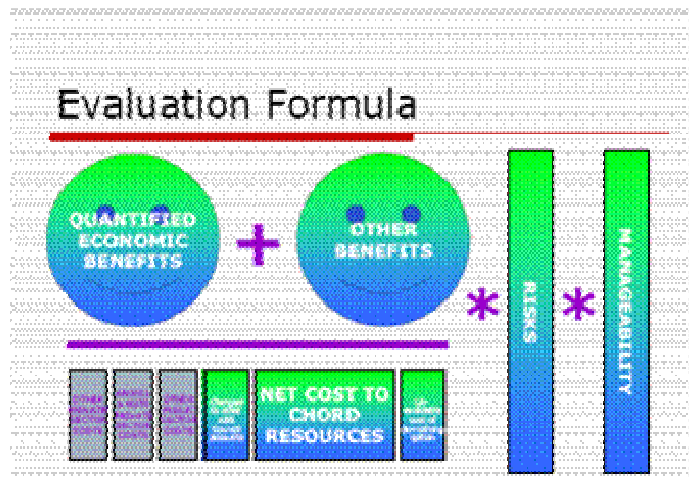
revised by the Executive on 20 March 2008. Project Boards of key stakeholders were established for each project comprising relevant Councillors, officials and local stakeholders to work with the consultants and finally to sign off their OBC. The process represented an example of pro-active community engagement by the Council.

- 3.3 The purpose of the exercise is to assist the Council to prioritise the £10m allocated in the Capital Programme to Town Centres and Waterfronts over the period 2009-2013.
- 3.4 The OBCs were prepared by consultants from Smiths Gore and CogentSi. On 18 September 2008 the Executive noted that DTZ Consultants had been commissioned to review on the same basis as they had for Dunoon, the OBCs for Campbeltown, Helensburgh, Oban and Rothesay. The OBCs have been scored by RPS Consultants. Their final report is attached.
- 3.6 The scoring mechanism approved by the Executive on 20 March 2008 involves establishing a ratio of benefits per £1m of expenditure. Benefits are assessed on the same principles as in the original weighting and scoring criteria-

- Impact on Corporate Plan
- Impact on Service Plan
- Impact on Area Plan
- Impact on Corporate Strategies
- Impact on compliance with legal and national priorities

In addition the assessment of benefits is adjusted for deliverability and risk.

- 3.7 This is represented in the formula which is contained in each OBC main dossier –



- 3.8 The report from RPS containing their assessment of the OBCs is attached. For each OBC, the report contains RPS' analysis and assessment of benefits, the extent to which each contributes to council and other policy priorities, and deliverability and risk. RPS has assessed each OBC utilising the Council's scoring methodology approved in March 2008. In accordance with that methodology the report concludes –

"The results of this scoring methodology ranks the proposed projects in order;

1. *Rothesay*
2. *Campbeltown*
3. *Oban*
4. *Helensburgh*
5. *Dunoon*

Based upon the application of the agreed methodology the following allocations would be made

Rothesay £ 2.4 Million
Campbeltown £ 6.5 Million

The highest scoring individual project from among the remaining areas is the Yacht Haven in Oban at a cost of £1.0 Million which could also be afforded within the limited funds available. The next best alternative after that for remaining funds would be Kidston Park in Helensburgh.

Evan Williams from RPS will be at the Council meeting to provide further clarification around the report.

4. Considerations and Conclusions

- 4.1 The OBC preparation and evaluation process has been completed. If it is to achieve these important priorities it is essential the Council recognises there is a need to ensure a robust and resourced process is in place to take forward the prioritised projects through to Final Business Case and implementation. There is a need for clarity around the priorities so that a project plan can be shaped around structure, process, resources and timescale and a project board and team identified. This will be done in light of the decisions today, and a report will be submitted to the Executive as soon as possible.

Nigel Stewart

Director of Corporate Services
7 November 2008

Background Papers:-

- Outline Business Cases for Campbeltown, Helensburgh, Oban, Rothesay and Dunoon and associated papers prepared by CogentSi /DTZ/and Project Boards all as signed off by the Boards in October 2008
- OBC Assessment Report – RPS Consultants - November 2008