

**TITLE - Conservation Area Regeneration Scheme (CARS) – Round 5 Potential Project**

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**1.0 SUMMARY**

- 1.1 Historic Scotland (HS) announced their fifth Conservation Area Regeneration Scheme (CARS) grant funding round on 29 February 2012. This scheme is available to provide financial assistance for Conservation Area based regeneration and conservation initiatives undertaken by Local and National Park Authorities, community groups and other 3<sup>rd</sup> sector organisations experienced in delivering multi-funded projects. Assistance is either through support to establish a Conservation Area Regeneration Scheme (CARS) or through support for a Heritage Lottery funded Townscape Heritage Initiative (THI). The deadline for submissions is the 31 August 2012
- 1.2 This fifth round of CARS funding has a total budget of £10 million. HS intend to make awards of up to £2 million to any one scheme although they have advised that what is being sought is a diverse range of projects as regards size designed to meet the needs of the community. In previous rounds awards have ranged from £62,500 to £1,500,000.
- 1.3 This paper seeks to provide Members with the background to the CARS Round 5 grant funding bid, identifying the key issues for consideration and the conclusion of the options appraisal undertaken for the five short listed conservation areas/settlements.

**2.0 RECOMMENDATIONS**

- 2.1 It is recommended that Members:
  - (i) Consider the content of this paper
  - (ii) Agree to the outcome of the options appraisal undertaken for the five shortlisted settlements/conservation areas and the identification of Inveraray as the priority town.
  - (iii) Agree to Inveraray as the preferred settlement/conservation area for a submission to CARS Round Five deadline of 31 August

- iv) The CARS funding bid will be developed on the basis of conditional match funding from the Council. The Business case for the CARS bid and related requirement for match funding be developed for consideration within the budget setting process and timetable for 2013/14
- v) Agree that the supplementary estimate of £35,000 be made available to allow the appointment of a conservation area accredited consultants to undertake the necessary development work (identification of scope and full costs) in order to ensure the development of a robust CARS bid.
- vi) Agree to delegate approval for the submission of the CARS Bid to the Executive Director for Development and Infrastructure subject to approval from the Chief Executive, Head of Strategic Finance and in consultation with Lead Councillor, John Semple

### **3.0 DRAFT CONSERVATION AREA REGENERATION SCHEME (CARS) ROUND 5**

#### **Background**

- 3.1 The CARS programme was established in 2005 to provide financial assistance to area based regeneration and conservation area initiatives for the historic environment. The CARS scheme can either operate as a stand-alone initiative or as an additional funding stream in support of projects being taken forward under the Townscape Heritage Initiative (THI) programme. Since 2005 there have been four application rounds awarding a total of just under £16.5 million of Historic Scotland (HS) funding. This fifth round of CARS funding has a total budget of £10 million. The CARS programme is a five year programme and will run from 1 April 2013 – 31 March 2018.
- 3.2 Argyll and Bute Council have benefited from both the first CARS application round (2007 – 2012) and the fourth CARS application round (2011 – 2016). The Campbeltown CARS project was approved in the first round with an award of £382,500 from HS. In round four the Rothesay THI/CARS project was awarded £500,000 of HS funding.
- 3.3 The critical thing to bear in mind is the additional funding that has been secured as a consequence of the award of the HS CARS funding in regard to both of these projects and the resulting investment that has been secured and is being delivered to the built heritage in both of these towns.
- 3.4 The Rothesay CHORD CARS/THI project commenced in 2011 and will run until 2016. In addition to the £499,933 of CARS funding £1.5 million was also secured from HLF, £500,000 from the Council and £100,067 Leader giving a common fund of £2.6 million. This is where there can be added benefit in combining a CARS scheme with a Townscape Heritage Initiative (THI) however this will not always be the best option.

3.5 The Campbeltown CARS began in 2007, and officially ended 31 March 2012. The Scheme was delivered on time and on budget and has secured the following outcomes:

- 17 shopfronts refurbished
- 140 original timber windows refurbished
- 75 grants offered amounting to **£650,000**
- Work to 50 buildings
- Taking other funders and owners contributions into account over **£4m** has been spent on buildings since 2007 ( this includes the THI/CARS overlap period)
- Over 40 local contractors involved to date.

The Campbeltown Townscape Heritage Initiative (THI) project has been in progress alongside the CARS since 2009, which has increased the benefit to the town during this overlap period as this has made available a greater amount of common fund to be reinvested in the built heritage of the town centre. The THI project will continue until June 2014

3.6 The CARS funding provides financial assistance to area based regeneration and conservation area initiatives for the historic environment. The guidance notes relative to this fifth round advise that priority/consideration will be given to

- those authorities who have not previously benefited from the programme (although this does not exclude those authorities who have previously benefited)
- places that have demonstrated social and economic disadvantages which affect their capacity to support sustainable regeneration.
- areas where there has been a clear period of under investment via support from HS's other repair grant schemes
- projects which show true partnership working between local authorities, National park Authorities and community groups and other 3<sup>rd</sup> sector organisations experienced in delivering multi funded projects.

3.7 When assessing the submission to the fifth CARS round the following will be taken into consideration

- is the town area within a conservation area
- is there an Article 4 direction in place
- has a conservation area appraisal and a conservation area management plan been undertaken and produced

- links to development plan policy
- what are the levels of vacancy affecting the commercial and residential properties
- what are the general condition of the properties
- how many buildings at risk are there within the conservation area that are currently on the building at risk register
- employment and deprivation statistics
- other funding and delivery partners

The above criteria have been used as the key parameters in assessing the impact of each conservation area as regards the options appraisal.

3.8 In addition to the above a break down has to be given as to the expenditure linked to

- small grant scheme
- education and awareness
- training and skills (up to 5% of budget)
- Public realm works (max 20%)
- Administration including appointment of officer

3.9 The Council has a significant number of conservation areas within its area, 31 in total, excluding those in the Park, however not all of these would be suitable to or meet with the criteria as laid out above nor would they necessary been seen as a priority at this stage. On initial examination of all conservation areas a short listing exercise has been undertaken based on a built heritage assessment of their condition and suitability and whether they meet the above criteria. From this initial exercise a number of conservation areas been identified as requiring a more detailed options appraisal. These conservation areas are as follows:

- Campbeltown (phase 2)
- Dunoon
- Inveraray
- Lochgilphead
- Tarbert

3.10 Previously the town centre conservation area of both Campbeltown and Rothesay were recognised as a priority given the importance of their built heritage and the need to secure investment given the poor condition of the fabric of the town centres, the high number of buildings at risk that they each have, the fact that they were covered by an Area For Action (AFA) within the Development Plan and the need to secure investment to deliver wider town centre regeneration linked to the CHORD programme. In addition Inveraray was also considered as a key heritage asset and a CARS funding bid was prepared for submission to the first round of the CARS programme in 2005. However this was unsuccessful as it was mainly focused on maintenance and this is not something that is eligible under CARS. .

3.11 Since the announcement of the CARS Round 5 there has been a request from the Inveraray community for the Council to submit a CARS scheme to this round. In addition there has also been a suggestion for a submission relative to Dunoon. The key questions for consideration are

- does the Council consider that there is merit in submitting a bid(s) relative to one or more of its town centres/conservation areas to the CARS Round 5
- if yes which town(s) should this be for and
- where would any development funding and match funding come from

3.12 In identifying the potential priority conservation areas/town centre area from the short list a full options appraisal requires to be completed. This will determine which town centre (s)/conservation area(s) would be the best option(s) to take forward at this point in time. Following on from this a fully detailed and costed scheme would need to be worked up before it could be determined as to the level of match funding sought from the Council and potential partners such as ACHA. With regard to Inveraray ACHA are currently looking to undertake repairs to the tenement referred to as Relief Land. There have been some initial discussions with ACHA in regard to this building being part of a CARS bid and they have indicated a general support for this approach if it will help to deliver their project and assist those private owners within this building.

3.13 In the future further consideration also needs to be given to the potential development of THI/CARS 2 initiatives linked to both Campbeltown and Rothesay thereby building on the investment already secured. This is something that can hopefully be investigated and discussed through the strategic partnership with HS and the development of our built heritage/historic environment strategy. It is hoped that the options appraisal will not only inform this CARS Round Five bid but also future funding calls relating to both CARS and THI. Whilst for this particular Round it is considered that a submission relative to Campbeltown would be considered premature pending the successful delivery of the current THI, it should be considered for future CARS Rounds.

#### **4.0 OPTIONS APPRAISAL**

4.1 The options appraisal is based on the five short listed towns/conservation areas and has been undertaken based on the four headings of impact, deliverability, affordability and risk. The sub heading relative to impact are based upon the scoring criteria required

in the completion of the CARS Bid. The table below provides the overall score per settlement as well as the % breakdown for each conservation area based on impact, deliverability, affordability and risk. The detailed options appraisal can be viewed in appendix 1 attached to this report. As will be evident from the table below Inveraray has the highest score as regards suitability to progress to the development phase for a bid to CARS Round Five.

Evaluation by Criteria		Campbeltown	Dunoon	Inveraray	Lochgilphead	Tarbert
<b>Total Overall Scores Per Town</b>		<b>98</b>	<b>69</b>	<b>104</b>	<b>82</b>	<b>91</b>
<b>% Breakdown of Overall Score per Heading</b>	Impact	66%	64%	61%	63%	65%
	Deliverability	21%	22%	22%	22%	22%
	Affordability	0%	0%	4%	0%	0%
	Risk	12%	14%	13%	15%	13%

- 4.2 At this time it is not possible to score each town under affordability and this is reflected in the table above. Until a scheme is fully scoped and costed it is unclear as to the costs and level of match funding requirement from the Council. The development phase, which will require to be undertaken by a conservation accredited architect, will determine the full cost of any scheme. The lack of information relative to detailed costings at this stage also has an impact on the score under the heading of Risk. Given the investment that ACHA are looking to make as regards Relief Land in Inveraray this has been taken into account in the table under affordability.
- 4.3 Community/partnership engagement is a critical component of any bid and there will need to be input from the community and key partners via a steering group to the development of any CARS scheme. In addition the success of any scheme is also reliant on property owners, be these shop owners or building owners, accessing the grants available and also requires them to make a level of investment dependent upon intervention rates and the costs of the works.
- 4.4 Deliverability is a key consideration given the tight time frame that we are working too. There is no doubt that all five towns that have been short listed would benefit from investment in the built fabric of their conservation area. However some are at a more advanced stage than others as regards meeting the criteria and undertaking the necessary development work to meet the deadline of 31 August. It is considered that Inveraray is best placed to meet this deadline when assessed against the criteria used both for the HS bid as well as the options appraisal. However, this does not mean to say that preparatory work, such as undertaking a review of the conservation area boundary and preparing conservation area appraisals for Dunoon and Lochgilphead,

should not be taken forward. This work would allow these to be considered for future funding rounds for CARS or THI or a combination of both.

## **5.0 CONCLUSION**

- 5.1 There is no doubt that there is benefit in securing funding for our conservation areas via the CARS and THI funding programmes as has been demonstrated from the success's in the Campbeltown CARS/THI and in the investment that is going forward in Rothesay as a result of the funding secured from the these programmes. However this does require a commitment of investment from the Council itself both as regards financial (developments costs and match funding) and staff resources. The commitment required will be developed through the business case process for consideration as part of the budget setting process.
- 5.2 The success of any scheme is also reliant on owners accessing the grants available and also requires them to make a level of investment dependent upon intervention rates. This is where community buy in is critical.
- 5.3 It also has to be remembered that this is a competitive bidding process open to all local authorities across Scotland and funding is in no way guaranteed. However the CARS funding programme offers a real opportunity for investment in the built fabric of our towns/conservation areas and bring with it the opportunity for wider economic regeneration. At this point in time it is considered that the town/conservation area of Inveraray is best placed to go forward to the next funding round of CARS. This is not to say that the other towns would not also benefit from this funding but further preparatory work would be required. This would be picked up and identified via the strategic approach that is being developed as regards our built heritage/historic environment strategy. This strategy will outline the importance of the built heritage to Argyll and Bute's Communities, Economy and Culture. It will map out medium to long term objectives relating to the management, development and protection of the historic environment and will link to an action plan and identify the necessary budget to take these actions forward. This will include consideration of any future CARS/THI bids.

## **6.0 IMPLICATIONS**

**Policy:** Through the Corporate Plan, Development Plan, Community Plan and Economic Development Plan the Council recognises the importance of investment in its built heritage in order to secure the regeneration of its towns and the economic benefit that will come from this. In addition the approach being taken as regards the options appraisal reflects the strategic approach that is

being developed as regards our built heritage/historic environment strategy. The strategy will outline the importance of the built heritage to Argyll and Bute's Communities, Economy and Culture. It will map out medium to long term objectives relating to the management, development and protection of the historic environment

**Financial:** The financial implications are two fold as regards taking forward a bid to the CARS Round 5 call. These relate to the need to secure the necessary resources for the development phase (survey work and costed schedule of work) as well as the match funding which can only be determined once a fully worked up scheme is developed and costed through the business case process for consideration through the budget setting process. The supplementary estimate of £35,000 requires to be made available for the development works.

**Legal:** None

**HR:** None

**Equalities:** None.

**Risk:** There is no guarantee that any funding bid will be successful as this is a competitive process and is open to all local authorities across Scotland.

**Customer Service:** None

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CARPORTS APPRAISAL SCORING

No	Headline	Criteria	Weighting	Weighting Duration	Weighting Frequency	Weighting Location	Weighting Tenure	Classification	Score
1	Market	Market - National Authority	4	4	4	4	4	N/A (View Assets)	0
2		Score given to the market	4	4	4	4	4	Score Factors	3
3		Company - National Authority	6	2	6	6	6	Top Filmmakers	5
4		Score given to the company	4	2	4	4	4		
5		Company - National Authority	2	2	2	2	2		
6		Company - National Authority	4	2	6	4	4		
7		Company - National Authority	3	2	6	4	4		
8		No of projects completed	4	2	3	3	0		
9		Company - National Authority	4	3	5	3	3		
10		Company - National Authority	3	4	4	4	4		
11		Company - National Authority	3	3	3	3	3		
12		Company - National Authority	4	2	6	4	4		
13		Company - National Authority	0	0	0	0	6		
14		Company - National Authority	6	0	4	0	4		
16		Company - National Authority	3	2	1	2	2		
17		Company - National Authority	3	2	4	4	4		
18		Company - National Authority	4	4	0	0	0		
19		Company - National Authority	4	3	1	1	1		
		<b>SUB-TOTAL IMPACT</b>	<b>65</b>	<b>44</b>	<b>60.6%</b>	<b>63.4%</b>	<b>64.8%</b>		
		<b>% Weighting</b>	<b>66.3%</b>	<b>63.8%</b>	<b>60.6%</b>	<b>63.4%</b>	<b>64.8%</b>		
22	Company - National Authority	Company - National Authority	3	2	4	3	3		
23	Company - National Authority	Company - National Authority	3	2	3	3	3		
24	Company - National Authority	Company - National Authority	4	2	6	4	4		
25	Company - National Authority	Company - National Authority	3	3	3	2	2		
26	Company - National Authority	Company - National Authority	4	4	4	4	4		
27	Company - National Authority	Company - National Authority	4	2	4	2	4		
		<b>SUB-TOTAL DIVERSITY</b>	<b>21</b>	<b>15</b>	<b>25</b>	<b>18</b>	<b>20</b>		
		<b>% Weighting</b>	<b>32.2%</b>	<b>31.1%</b>	<b>41.1%</b>	<b>28.2%</b>	<b>31.2%</b>		
28	Company - National Authority	Company - National Authority	0	0	0	0	0		
29	Company - National Authority	Company - National Authority	0	0	0	0	0		
30	Company - National Authority	Company - National Authority	0	0	0	0	0		
31	Company - National Authority	Company - National Authority	0	0	4	0	0		
		<b>SUB-TOTAL AFFORDABILITY</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>		
		<b>% Weighting</b>	<b>0.0%</b>	<b>0.0%</b>	<b>3.8%</b>	<b>0.0%</b>	<b>0.0%</b>		
32	Company - National Authority	Company - National Authority	3	2	4	3	3		
34	Company - National Authority	Company - National Authority	0	0	0	0	0		
35	Company - National Authority	Company - National Authority	4	4	4	4	4		
36	Company - National Authority	Company - National Authority	3	1	3	2	2		
37	Company - National Authority	Company - National Authority	2	3	3	2	2		
		<b>SUB-TOTAL RISK</b>	<b>12</b>	<b>10</b>	<b>14</b>	<b>12</b>	<b>12</b>		
		<b>% Weighting</b>	<b>18.2%</b>	<b>14.5%</b>	<b>18.5%</b>	<b>14.6%</b>	<b>13.2%</b>		
		<b>TOTAL</b>	<b>98</b>	<b>69</b>	<b>74</b>	<b>82</b>	<b>87</b>		