

Argyll and Bute Council
Comhairle Earra Ghaidheal agus Bhoid

Customer Services
Executive Director: Douglas Hendry



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15 May 2013

NOTICE OF MEETING

A meeting of the **CHORD PROGRAMME MANAGEMENT BOARD** will be held in **COMMITTEE ROOM 1, KILMORY, LOCHGILPHEAD** on **WEDNESDAY, 22 MAY 2013** at **9:30 AM**, which you are requested to attend.

Douglas Hendry
Executive Director - Customer Services

BUSINESS

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTEREST (IF ANY)**
3. **MINUTES**
CHORD Programme Management Board – 5 March 2013 (Pages 1 - 2)
4. **HIGHLIGHT PROGRESS REPORT**
Report by CHORD Programme Manager (Pages 3 - 8)
5. **OBAN CHORD REPORT - PROPOSED UTILISATION OF REMAINING BUDGET ALLOCATION**
Report by Executive Director – Development and Infrastructure Services
(Pages 9 - 48)
6. **LORN ARC UPDATE**
Report by Executive Director – Development and Infrastructure Services
(Pages 49 - 50)

CHORD PROGRAMME MANAGEMENT BOARD

Councillor James Robb (Chair)
Sally Loudon
Sandy MacTaggart

Councillor Roderick McCuish
Douglas Hendry
Bruce West

Contact: Hazel MacInnes Tel: 01546 604269

**MINUTES of MEETING of CHORD PROGRAMME MANAGEMENT BOARD held in the
COMMITTEE ROOM 1, KILMORY, LOCHGILPHEAD
on TUESDAY, 5 MARCH 2013**

Present: Councillor Roderick McCuish (Chair)

Councillor John Semple

Also Present: Councillor Ellen Morton

Attending: Sally Loudon, Chief Executive
Douglas Hendry, Executive Director – Customer Services
Sandy MacTaggart, Executive Director – Development and
Infrastructure
Robert Pollock, Head of Economic Development
Helen Ford, CHORD Programme Manager

The Chair ruled and the Board agreed that the business dealt with at item 7 of this minute be dealt with as a matter of urgency by reason of the need to move forward with a proposal for effectively and efficiently managing the inception, development and delivery of Strategic Projects within the Council.

1. APOLOGIES FOR ABSENCE

There were no apologies for absence intimated.

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTES

The Minutes of the meeting of the CHORD Programme Management Board held on 3 October 2012 were approved as a correct record.

4. CHORD PROGRAMME UPDATE - HIGHLIGHT / PROGRESS REPORT

Consideration was given to a report which highlighted the key products completed for the reporting period November 2012 to February 2013, the key products outstanding to date and the key products for the next reporting period in relation to the CHORD Programme.

Decision

The CHORD Programme Board –

1. Noted the report.
2. Agreed that a brief paper containing the detail that had been provided under the target timescales update be submitted to each of the four Area Business Day meetings with a view to keeping Members updated on the progress with the CHORD Programme.

(Reference: Report by CHORD Programme Manager dated 24 February

2013, submitted)

5. CHORD CONSULTANCY FRAMEWORK

The CHORD Programme Manager provided a verbal report on the CHORD Consultancy Framework which would be in place for a 3 year period. Members were advised that there had been 5 companies taken to full tender with the evaluation having been completed on 4 March 2013 with no objections. The top three tenders were Parsons Brinckerhoff, Amey and Capita; and a scoping exercise would now be undertaken in respect of the tasks the consultants would be required to undertake.

Decision

The CHORD Programme Board noted the verbal update.

(Reference: Verbal update by CHORD Programme Manager)

6. LORN ARC UPDATE

The Board received an informative presentation by the Head of Economic Development on the progress of the Lorn Arc project to date, funding priorities and the next stages for the project.

Decision

The CHORD Programme Management Board noted the information provided in the presentation.

(Reference: Presentation by Head of Economic Development)

7. STRATEGIC PROGRAMME BOARD - DISCUSSION PAPER

The Board considered a report which outlined a proposal for a structure for how the Council might more efficiently and effectively manage the inception, development and delivery of strategic projects.

Decision

The CHORD Programme Management Board –

1. Agreed to recommend the proposed formation of a Strategic Programme Board and governance structure.
2. Requested the Executive Directors for Development and Infrastructure and Customer Services to develop these proposals for consideration by Members.

(Reference: Joint report by Executive Directors of Development and Infrastructure and Customer Services dated 1 March 2013, submitted)

HIGHLIGHT / PROGRESS REPORT			
PROGRAMME NAME:	CHORD	Programme Manager:	Helen Ford
Reporting Period:	March – May 2013	Date report prepared:	10/5/13
Progress – please refer to Programme Plan			
Key products completed this period (including those completed ahead of schedule)	Key products outstanding this period (including brief explanation of why product outstanding)	Revised delivery date	Key products for next reporting period
<p>Campbeltown THI</p> <p>13-15 Kirk Street – construction phase progressing well and on budget.</p> <p>50-52 Main Street – negotiations with developer have stalled due to total project costs, level of public support and possible lack of demand for completed flats/shops.</p> <p>Training and complimentary initiatives – two shopfront events held. Interviewing for oral history project underway. Traditional joinery tender issued.</p> <p>Campbeltown Berthing Facility</p> <ul style="list-style-type: none"> Final option selection approved at Project Board on 27 March 			<p>Completion of 13-15 Kirk Street</p> <p>SKDT to submit Big Lottery Fund Stage 2 bid.</p> <p>Report to SMT and Full Council requesting approval to start asset transfer process.</p> <p>Obtain HLF approval for mothballing option then proceed with Feasibility Study/Options Appraisal. Establish whether developer deal is still live.</p> <p>Issue tender for Traditional Paints Workshop.</p>
			<p>June 13</p> <p>May 13</p> <p>June - July 13</p> <p>June 13</p>
			<p>August 2013</p> <p>June 2013</p> <p>May 2013</p>
<p>Campbeltown – Kinloch Road Regeneration</p> <ul style="list-style-type: none"> Footway Works and Railing works now substantially complete final anti slip surface will be laid mid June. Soft Landscaping (Park Area) underway. 			<p>Full Business Case Completion</p> <p>Footway works Completion</p> <p>Soft Landscaping Completion</p>
<p>Helensburgh – Town Centre and West Bay Esplanade</p> <ul style="list-style-type: none"> MacLay Civil Engineering appointed 4 April 2013, 			

<p>start on site 7 May 2013, estimated completion date July 2014.</p> <ul style="list-style-type: none"> Enabling Works – new signalised pedestrian crossing in West King St in place along with the upgrade of existing signalised crossing and traffic signals in West Clyde St., Strathclyde Partnership Transport funding of £175,000 drawn down. Paper proposing shop front enhancement scheme (£140,000 S75 funding) going back to H&L Business Day on the 14th May as there was insufficient time to consider at March Business Day. 	<p>Upgrading of Traffic signals in East/West Princes St/Sinclair St junction to be undertaken during Main contract works – Spring 2014. Upgrading of traffic signals in Grant St due to be completed end of May 13.</p>	<p>Completion of Enabling works</p> <p>S75 – Shopfronts – Delivery process agreed</p>	<p>May 2013</p> <p>May/June 2013</p>
<p>Oban - Lorn Arc</p> <ul style="list-style-type: none"> Steering Group meetings progressing on an approximate monthly basis. SFT Meetings and correspondence progressing on a regular basis. Business case consultation complete. Economic modelling complete and refined. Financial modelling complete, subject to discussions on suspension of payments. Draft report at an advanced stage of discussion with SFT and being shared with Scottish Government. Agreement on suspension of payments being sought from Scottish Government. 	<p>TIF Business Case was due to be reported to Full Council in March but discussion relating to the suspension of payments issue has delayed this. The draft Business Case is being discussed with SFT and is being shared with the Scottish Government.</p>	<p>Update to CHORD Programme Board</p> <p>Update to OLI Area Committee</p> <p>Report to Full Council</p> <p>Issue Business Case to SFT – sign off following Full Council in April</p> <p><i>Note: These dates are provisional and subject to clarity on suspension of payments and Scottish Government feedback on the draft Business Case.</i></p>	<p>May 2013</p> <p>June 2013</p> <p>June 2013</p> <p>July 2013</p>
<p>Oban Town Centre and Bay</p> <ul style="list-style-type: none"> Workshop with OLI Members undertaken on 28 February 2013. Project Board meeting of 27 March endorsed the package of works discussed at OLI workshop to draw down full CHORD allocation. Works will be 	<p>Issue of specification to Design Team for Oban Bay Public Realm works incorporating Lighting proposals and refurbishment of the White Building to provide onshore wet facilities, orientation point for cruise ships etc.</p>	<p>Issue specification to Design Team (to be appointed through Consultancy Framework)</p>	<p>May 13</p>

<p>taken forward as discrete Business Cases to CHORD Programme Board and Council for approval – see separate paper – Agenda Item 5.</p> <ul style="list-style-type: none"> Report outlining above package of works taken to OLI Project Board 10 April 2013. Oban Marine Tourism Study completed by Ironside Farrar and endorsed by CHORD Project Board on 27 March 2013. PID prepared outlining how project will be taken forward. Oban Project Manager appointed, start date 20 May 2013.ch. 	<p>Delay due to capacity issues, appointment of new Oban Project Manager will address this.</p>	<p>Meeting of Steering Group being arranged in May to agreed way forward.</p>	<p>May 13</p>
<p>Rothesay THI</p> <ul style="list-style-type: none"> Guildford Court - Condition Survey to commence 15/05/13 11/13 Montague St - Application submitted and currently under revision 21/27 Montague St – Application submitted 10/05/13 Duncan’s Halls – Cost Plan stage 3 small building repair grants complete 1 shopfront complete and 1 on site 4 shopfront grants awarded and another application submitted 2 training days held – Merchandising and joinery 1 evening lecture held – Traditional joinery mouldings of Rothesay 1 event held – Celebrating Rothesay’s Victorian Heritage 3 drop in sessions held in a shop in Guildford Sq 		<p>Guildford Court – Results of condition survey and respective cost plan</p> <p>11/13 Montague St – Award recommendation</p> <p>21/27 Montague St – Award recommendation</p> <p>Duncan’s Halls – Tender stage</p> <p>15-19 Guildford Sq/Montague St - Gap site agreement to dispose of the site to the preferred developer.</p>	<p>July 2013</p> <p>June 13</p> <p>June 13</p> <p>June 13</p> <p>June 13</p>

<p>Rothesay Pavilion</p> <ul style="list-style-type: none"> • Secured Permission to Start from HLF. • Secured £31,000 from HIE towards HLF Stage 2 application and for the procurement of a consultant to prepare Community Engagement Plan. • Governance Strategy approved by CHORD Project Board for approval • Community Awareness Event/Hi-Arts Workshop undertaken • Application submitted to the Coastal Communities fund for £375,000. 			<p>Procurement of consultant to prepare Community Engagement Plan</p> <p>Engagement of Chairman and Directors of new third sector body to operate Pavilion.</p> <p>Ongoing submission of funding applications e.g. Creative Scotland</p>	<p>June 13</p> <p>August 13</p>
<p>Dunoon - Queen's Hall and Waterfront</p> <ul style="list-style-type: none"> • Meeting of Hall management and Library management to discuss the forward strategy held on the 17 April, report will go to Project Board on 24 May, • Mini Bid Tender issued to Framework Consultants. 	<p>Detailed design – awaits procurement of new Consultants Framework.</p>		<p>Appoint the design team through CHORD framework</p>	<p>May 2013</p>
<p>Programme Office</p> <ul style="list-style-type: none"> • Appointment of new Framework Consultants • Appointment of new Project Manager for 1 year to address capacity issues. Post will focus on realising commercial and development opportunities for CHORD and marine infrastructure and services. 	<p>Programme Manager Requirement – solution being progressed.</p>	<p>October 2014</p>	<p>Review of CHORD Programme Office.</p>	<p>May/ June 2013</p>

Risk Management – please refer to Risk Register within Programme Plan			Current Status and Mitigation	Previous RAG status	Revised RAG status
Risk Ref.	Risk				
PP01_R001	Sufficient external funding cannot be levered in to complete the programme.		Continue to monitor and work in partnership with funding partners. Most likely to impact individual projects only. HLF Stage 2 development funding secured for Rothesay Pavilion.	16	9
PP01_R002	That the financial regime for Local Authorities remains sufficiently stable to deliver the programme.		Continue to monitor overall funding levels for the Council.	16	16
PP01_R003	Full Businesses Cases do not receive approval		Ensure FBC are robust – the business case for projects (e.g. Rothesay Pavilion, Oban, and Campbelltown Berthing Facility) will need to be robust and credible.	4	9
PP01_R004	Capacity/ Skills for dealing with this number of projects simultaneously		Programme Manager appointment required, temporary cover in place.	16	8
PP01_R005	Cost escalation and over-run.		Programme costs reviewed at every meeting of the Programme Management Board.	8	8
PP01_R006	Timescales for projects too optimistic.		Review at every meeting of the Programme Management Board. Timescales most likely to be influenced by procurement of new framework consultants. Detailed design and development work will be paused at Oban, Rothesay Pavilion and Dunoon until January 2013 – further delayed, now May/June 2013	8	12
PP01_R007	Reputational risk to the Council in the delivery of the Programme.		Review at every meeting of the Programme Management Board. Continue to ensure that communications strategies are deployed.	12	9
PP01_R008	Communication process is not effective.		Implement Programme Communications Plan. Review at Programme Management Board.	8	8
PP01_R009	That the political environment remains sufficiently stable to deliver the programme. Governance arrangements for projects and programme are stable and able to provide effective direction and approval.		Ensure that clarity is maintained at Project Board/ Programme Management Board in terms of delivering agreed project scope and project plans. New governance arrangements for Project Boards and Programme Board to be implemented.	12	12
PP01_R010	Project Risks Escalation to Programme Level		Monitor and manage the impact of individual/ influential stakeholders. Delay in individual planning consents, statutory agreements, site and weather conditions. Waterfront Development Dunoon - Ferry service and timber pier impact on timescale for delivery of waterfront development. Risks managed at project level but significant risks monitored at programme level.		8

Budget Management – please refer to CHORD Resources Management			
Overall CHORD budget - £30.76 million			
Approved funds to date	CHORD funds spent to date	External funding / additional income to date	Net spend to date
£ 25,339,740	£ 6,673,028	£ 947,652	£ 5,725,376

Any further information:

Target timescales update:

	PID approved	FBC complete	Proposed Implementation date	Target Completion
Campbeltown	THI	Apr '09	Sep '09	Sep '14
	Berthing Facility	Aug '13	Nov '13	Apr '14
	Kinloch Road Regeneration	Apr '10	Nov '10	June '13
Helensburgh	Town Centre and West Bay	Sep '11	May '13	July '14
	Oban	Bay / Harbour	*Oban /BC completed Dec '11, short term works in implementation stage, FBC to be developed	Apr '15
Rothesay	THI	May '10	Apr '11	Apr '16
	Pavilion	Mar '11	July '15	Dec '16
Dunoon	Waterfront – Phase 1	Apr '12	April '14	July '15

(anticipated dates shown in bold)

Issues:

- a. Programme Management – Programme Manager post.

ARGYLL & BUTE COUNCIL**CHORD PROGRAMME MANAGEMENT BOARD****DEVELOPMENT & INFRASTRUCTURE
SERVICES****22 MAY 2013**

OBAN CHORD – PROPOSED UTILISATION OF REMAINING BUDGET ALLOCATION

1. SUMMARY

- 1.1 The purpose of this paper is to advise the CHORD Programme Board of how the Oban CHORD Project Board wishes to utilise the remaining Oban CHORD budget allocation of £4.865 million. The intention is that the Oban Project Manager will progress discrete businesses cases in order that the drawdown of the remaining monies can be approved by the CHORD Programme Board and the Council.

2. RECOMMENDATION

- 2.1 The CHORD Programme Management Board is asked to:

- Note the contents of this paper and the proposed package of works outlined in Appendix A.

3. BACKGROUND

- 3.1 In early 2012, the Oban CHORD Project Board and the CHORD Programme Board approved an Interim Business Case (IBC) for Oban CHORD. The IBC was prepared to allow the Project Board to make decisions on the way to proceed, accepting that the Case would evolve as the various elements were progressed and issues regarding, deliverability, affordability and risk became clearer. At that stage a project package of £1.84 million was approved.
- 3.2 Given the current position with the £1.84m package of works –see Table 1 in Appendix A coupled with a clear desire to focus on “delivery” of the Oban CHORD project within the next three years from both the local members and the community, an Oban CHORD & Lorn Arc TIF workshop was held on the 28th February 2013 for Oban, Lorn and the Isles (OLI) members. The aim of the workshop was to outline and discuss how best to “deliver” the Oban CHORD project within the next three years. The workshop was well received by Members.
- 3.3 Subsequently, the Chair of the Oban CHORD Board asked the CHORD Project Team to bring forward a paper based on the presentation given at the workshop to the Oban CHORD Board for approval, outlining:
- the current position with the £1.84 million IBC approved projects;
 - the intended utilisation of the remaining £4.865 million;
 - how the utilisation of the remaining monies complements the £1.84 million already approved;
 - the proposed timescales for the FBCs; and
- timescales for the delivery of the complete package of CHORD projects

3.4 On the 27 March 2013, the Oban CHORD Project Board approved the proposed utilisation of the remaining £4.865 million, see Appendix A and instructed Officers to progress discrete business cases in order that the drawdown of the remaining monies can be approved by the CHORD Programme Board and the Council. The Board also instructed Officers to advise the Programme Board of the intended utilisation of funds.

4. CONCLUSION

This paper is to advise the Programme Board on the proposed package of works that the Oban CHORD Project Board will be seeking approval for to drawdown the remaining Oban CHORD budget allocation.

5. IMPLICATIONS

POLICY	As Per Paper
FINANCIAL	As Per Paper
LEGAL	None at Present
EQUAL OPPORTUNITIES	None at Present
CUSTOMER SERVICE	None at Present
RISK	None at Present

Sandy MacTaggart
Robert Pollock
Development & Infrastructure
13 May 2013

For further information – please contact Helen Ford, CHORD Programme Manager Development and Infrastructure Services, Economic Development and Strategic Transportation 01436 658839

OBAN CHORD - PROPOSED PROJECT PACKAGE FOR DELIVERY

1.0 SUMMARY

- 1.1 In early 2012, the Oban CHORD Project Board and the CHORD Programme Board approved an Interim Business Case (IBC) for Oban CHORD. The IBC was prepared to allow the Project Board to make decisions on the way to proceed, accepting that the Case would evolve as the various elements were progressed and issues regarding, deliverability, affordability and risk became clearer. At that stage a project package of £1.84 million was approved.
- 1.2 Given the current position with the £1.84m package of works –see Table 1 at 3.1 below coupled with a clear desire to focus on “delivery” of the Oban CHORD project within the next three years from both the local members and the community, an Oban CHORD & Lorn Arc TIF workshop was held on the 28th February 2013 for Oban, Lorn and the Isles (OLI) members. The aim of the workshop was to outline and discuss how best to “deliver” the Oban CHORD project within the next three years. The workshop was well received by Members.
- 1.3 Subsequently, the Chair of the Oban CHORD Board asked the CHORD Project Team to bring forward a paper based on the presentation given at the workshop to the Oban CHORD Board for approval, outlining:
 - the current position with the £1.84 million IBC approved projects;
 - the intended utilisation of the remaining £4.865 million;
 - how the utilisation of the remaining monies complements the £1.84 million already approved;
 - the proposed timescales for the FBCs; and
 - timescales for the delivery of the complete package of CHORD projects

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Oban CHORD Project Board:
 - approves the proposed utilisation of the remaining £4.865 million
 - instructs officers to progress discrete business cases in order that the drawdown of the remaining monies can be approved by the CHORD Programme Board and Council
 - instructs officers to advise the CHORD Programme Board of the intended utilisation of the remaining £4.865 million

3.0 DETAIL

- 3.1 Oban CHORD has a funding allocation of £6.9 million. An Interim Business Case was endorsed by the Board on 6th January 2012 which recommended the release of £1.84 million of funding to progress 3 key elements – Traffic Management; Transport Interchange; and Reconfiguration of the Bay – Table 1 below outlines how funds are currently attributed.

Table 1 Breakdown of the £1.84m

Soroba Rd /Oban High School	Soroba Rd/Miller Road	Argyll Square	Transport Interchange	George St/Stafford St	North pier Pontoons
£370k	£30k	£100k	£340k	£700k	£300k
On Hold. Now outwith CHORD delivery timescale	Now funded from Roads budget	To be delivered by Roads	Now part of proposed public realm works	Now part of proposed public realm works	On hold awaiting outcome of Marine Tourism Review/Business Case

3.2 Given the above position with the current £1.84m package of works coupled with both the CHORD Board's and OLI Members' clear desire to focus on "delivery" of the Oban CHORD project within the next three years, the CHORD Project Team reviewed the current approach and came forward to the Workshop on the 28th February with the proposals outlined in Appendix A - Oban CHORD and Lorn Arc TIF Members Workshop.

3.3 The proposed way forward outlined in detail in Appendix A is to have four distinct project areas:

- **Oban Bay Public Realm** – Stafford St to Transport Interchange including the works to the Argyll Square area – see Appendix A slide 8;
- **North Pier Quarter** – Transit Facility and refurbishment of White Building along with public realm works to tie in with the Oban Bay Public Realm – see Appendix A slides 13, 14 and 15;
- **Oban Lighting Strategy** – to complement the above public realm works consideration of the lighting of buildings, structures around the Oban Bay area – see Appendix A slides 16 – 19;
- **South Pier** – investment in South Pier facilities, dependent on outcome of the European Fisheries Fund (EFF) application – see Appendix A slide 20.

3.4 **Oban Bay Public Realm (Stafford St, Queens Park Place, George St and Transport Interchange)** - Identified in the Interim Business Case as public realm improvements between north pier and railway pier, the CHORD Programme objective being met by this project is to improve the character, appearance and function of Oban for residents, visitors and investors.

The project will provide high standard improvements to address a wide range of issues, including: streetscape clutter, obstacles in the footway detracting from the appearance of the waterfront. This includes poorly placed and mismatched street furniture varying widely in age, quality, design and condition, redundant lighting columns and service boxes. Paving along the seafront is generally serviceable but old and drab in some areas and is a mixture of both block paving and slabs creating a patchwork effect along George St which detracts from the appearance of the waterfront - see Appendix A, slides 9 -10.

Closely associated with refurbishment and reconfiguration of the North Pier is the pedestrianisation of the Stafford Street area. It is proposed to create one large open space for pedestrians that will greatly improve the appearance of

this popular area, provide a greater gathering of people and should have a positive influence on trading in the adjacent local businesses. The restriction of northbound right turning and u-turn manoeuvres will improve traffic flow and a new pedestrian crossing should also provide a more direct route for pedestrians in line with natural desire lines.

The Interim Business Case identifies one of Oban's strengths as the close grouping of its ferry terminal, rail and bus stations - creating a single point of interchange. It proposes building on this by improving integration and creating an attractive arrival point to Oban. Such a gateway to the town would be more attractive to tourists, visitors, residents, business users and potential investors. The aim is to secure in the short term a unified solution to the area around Station Square and its environs that integrates with the Oban seafront, specifically addressing: public realm; pedestrian and vehicle signage; provision of integrated information and orientation facilities at Station Square; improved bus stops and shelters; and enhanced accessibility.

Initial discussions have taken place with Transport Scotland on taking forward the above proposals in partnership. The next step will be the appointment of a design team to develop clear proposals.

- 3.5 **North Pier Quarter** - The report on the Oban Marine Tourism Facilities review discusses how to take this proposal forward.
- 3.6 **Lighting Strategy – Subject** to approval from the CHORD Project and Programme Boards to proceed with this early action initiative, proposals will be brought forward to the next CHORD Project Board for consideration and approval.
- 3.7 **South Pier –** Project will be brought back to the CHORD Project Board for discussion following outcome of EFF application.
- 3.8 Table 2 below outlines the proposed utilisation of the Oban CHORD Capital budget allocation of £6.9m

Table 2 - Proposed breakdown of the £6.9m

Oban Bay Public Realm	North Pier Quarter	Lighting Strategy	South Pier	Project Manager	Allocated to Revenue	Total
£2.6m	£3.5m	£0.1m	£0.36m	£0.145m	£0.195m	£6.9m

- 3.9 The proposed breakdown in Table 2 incorporates the approved £1.84m package of works that remain with the Oban CHORD delivery timescale of three years i.e. Stafford St, Argyll Square and the Transport Interchange. If the North Pier Quarter transit berthing facility goes ahead there will be no requirement for the North Pier pontoons at this time, as previously proposed. Slide 21 of Appendix A clearly demonstrates how each of the proposed project elements at 3.3 above complements each other.
- 3.10 When the Interim IBC was approved in early 2012, the intention was to bring forward a FBC covering the entire Oban CHORD project elements, however, given the differing timelines to bring each project element to FBC stage, along with the clear wish to deliver projects on the ground as quickly as possible, it is recommended that business cases are brought forward for each project element as follows and draw down sought from the Programme Management

Board and the Council:

- § **Oban Bay Public Realm and Lighting Strategy**- FBC autumn 2013.
- § **North Pier Quarter** - FBC summer/autumn 2014 (White Building component to be progressed for delivery in 2014).
- § **South Pier**, date dependent on decision of EFF application

3.11 The intention is to deliver the four projects by the following dates:

Oban Bay Public Realm	November 2014
North Pier Quarter	April 2015
Oban Bay Lighting	November 2013
South Pier EFF	To be advised, following decision on funding application

3.12 The above projects (to be delivered in the short term) need to be seen in the context of the longer term development of Oban and Lorn and the wider ambitions for the area. Longer term ambitions will be delivered by working with a range of partners, including HIE and Transport Scotland, and aligning and optimising other potential investment streams such as the proposed Lorn Arc TIF (Tax Incremental Finance) initiative. These longer term ambitions will be captured in the Lorn 2030 Plan (to be finalised once TIF outcome is known).

4.0 IMPLICATIONS POLICY

The delivery of the CHORD programme fits with the Council's Corporate Plan, Single Outcome Agreement and approved Development Plan policy for town centre regeneration. The economic outcomes from these projects will contribute to the Government's Economic Strategy.

FINANCIAL

The Oban Bay/Harbour CHORD Interim Business Case has approved £1.84m; additional approvals will be required to drawdown remaining monies once business cases suitably developed.

PERSONNEL

Recruitment is underway to appoint an Oban Project Manager to progress the CHORD projects. The design consultants required to take the projects forward will be appointed from the new CHORD Framework Agreement.

EQUAL OPPORTUNITIES

An Equalities Impact Assessment has been undertaken for Oban Bay/Harbour.

LEGAL

Each of the CHORD projects requires differing levels of legal resources to ensure their timely delivery. Resources have been allocated to each project as per the approved Project Initiation Documents.

Sandy MacTaggart
Robert Pollock
Development and Infrastructure Services
20 March 2013

For further information - please contact Helen Ford, CHORD Programme Manager
Development and Infrastructure Services, Economic Development and Strategic
Transportation
01436 658839

Oban CHORD & Lorn Arc TIF Members Workshop 28th February 2013



Workshop Overview

- Oban CHORD Project Review
- Discussion
- Lorn Arc TIF Update
- Discussion



Oban CHORD – Context

- Focus on ‘Delivery’ of CHORD project within three years
- Council ‘Masters of Own Destiny’
- De-Risking
- Raise ‘Confidence’ to attract Community/Stakeholder support and Private Sector investment
- Interaction with TIF and other investments – ‘CHORD Can’t do everything’



Oban CHORD – Workshop Objectives

- To confirm the current position
- To review the options for delivery of Oban CHORD projects by 2016
- To identify the Way Forward



Oban CHORD – Current Position

Budget	Approved	Allocated	Unallocated	Spent
Capital	£6.9M	£1.84M	£5.06M	£49K
Revenue	£261k			£259k

➤ Studies Completed

- Refresh of Oban Action Plan* – AECOM
- Transport Interchange Seafront Urban Realm Issues & Options Report – AECOM
- South Pier Study – URS
- North Pier Temporary Pontoon options study – AECOM
- Traffic Management Scheme Development Report – AECOM
- Transport Interchange Scheme Development Report – AECOM

➤ Project Manager – Three year post currently advertised (closing date 15th March)

* Lorn 2030 (Refresh of Oban Action Plan) to be completed after completion of Lorn Arc Business Case

Oban CHORD – Approved Investments



Soroba Rd / Oban High School	Soroba Rd / Miller Rd	Argyll Square	Transport Interchange	George St / Stafford St	North Pier Pontoons
£370k	£30k	£100k	£340k	£700k	£300k
On Hold	Now funded from Roads budget	To be delivered by Roads	Now part of Public Realm works	Now part of Public Realm works	On hold awaiting outcome of Marine Tourism Review
TOTAL £1.84M					

Oban CHORD – Proposed Allocation of CHORD Budget

➤ Project delivery within three years

➤ Four distinct project areas

- Oban Bay Public Realm

Stafford St to Transport Interchange and including the works to the Argyll Square area.

- North Pier Quarter

Transit Facility and Refurbishment of White Building along with public realm works to tie in with Oban Bay Public Realm.

- Oban Bay Lighting Strategy

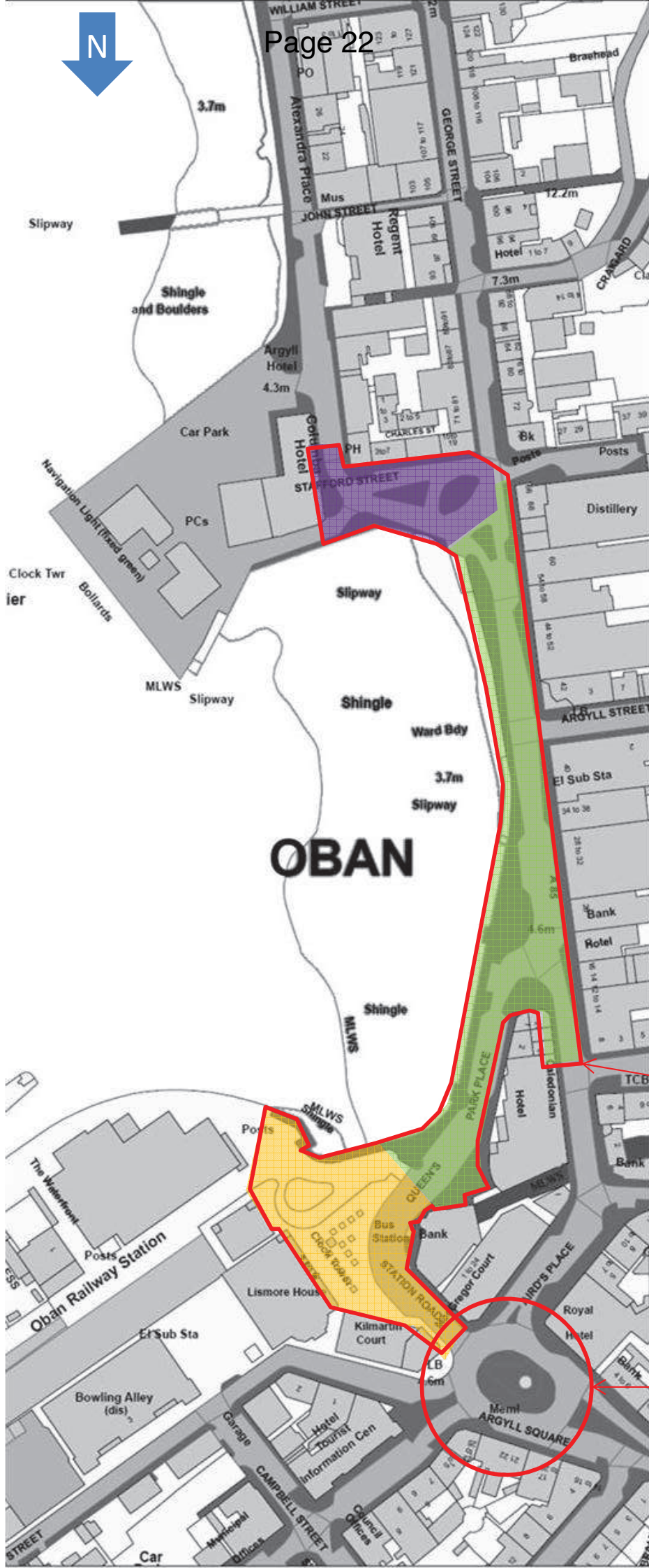
Consideration of lighting of buildings, structures street areas around the Oban Bay area.

- South Pier

EFF Dependent investment in South Pier facilities.

Oban CHORD – Oban Bay Public Realm

➤ Objective – To enhance the public realm around Oban Bay.



Specification	Argyle Square	Transport Interchange	Oban Bay Core	Stafford Street Area	TOTAL
Standard	£50k	£0.6M	£0.6M	£0.5M	£1.75M
High	£50k	£1.0M	£1.0M	£0.7M	£2.75M

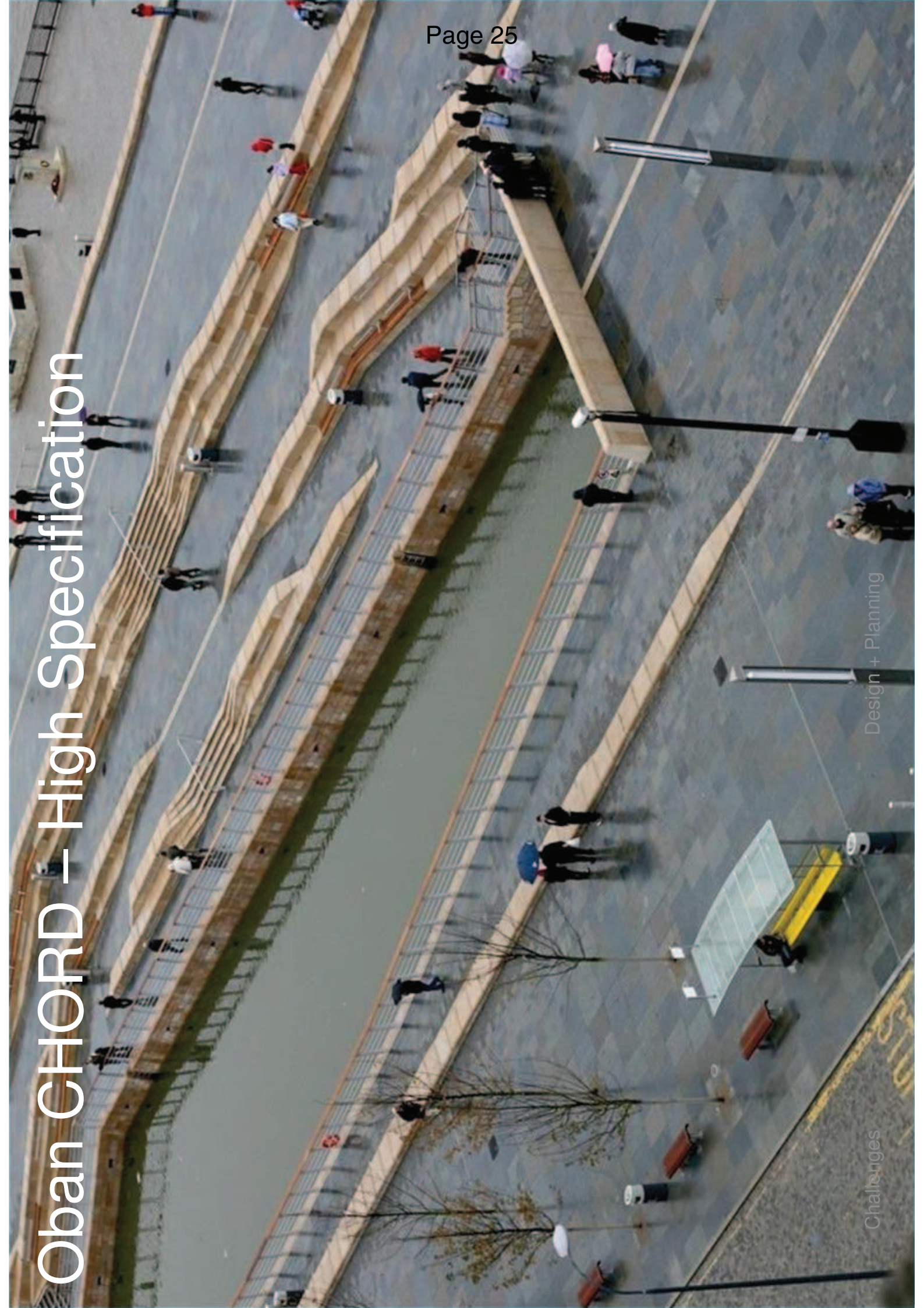
Oban CHORD – Existing Paving



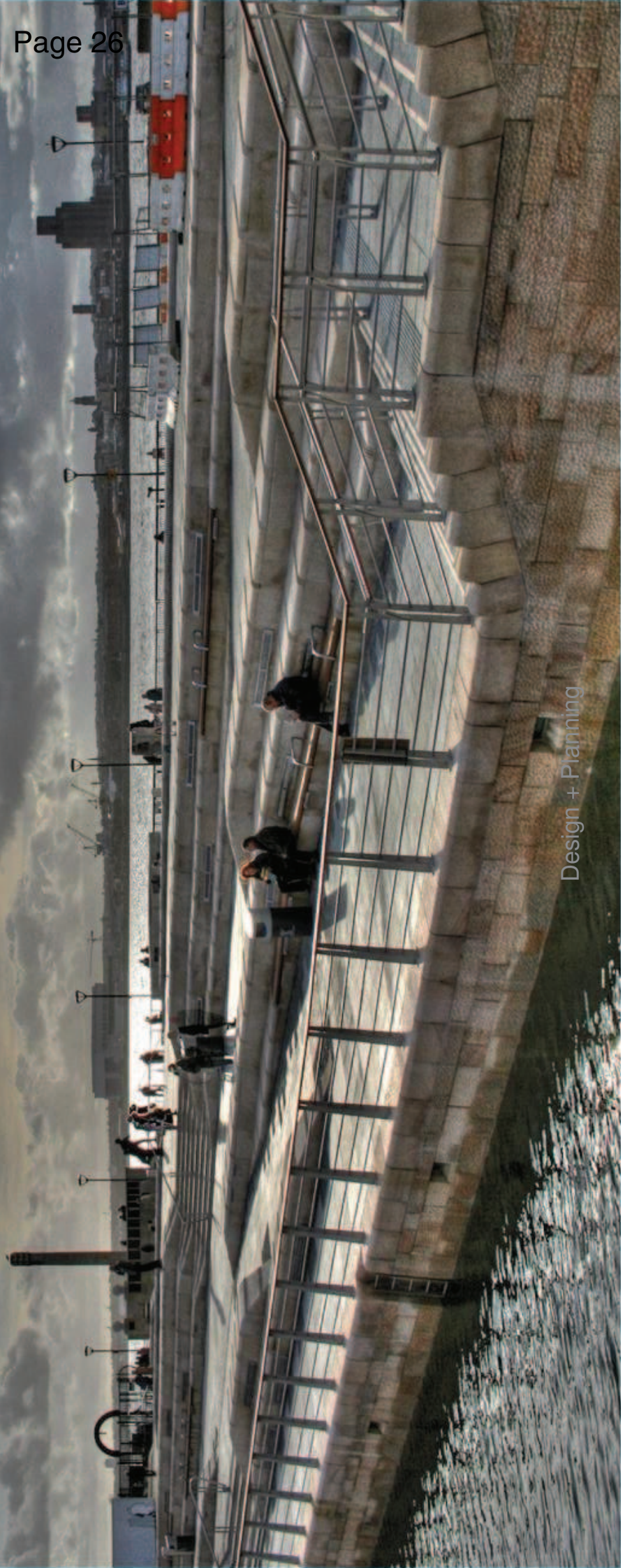
Oban CHORD – Existing Paving



Oban CHORD – High Specification

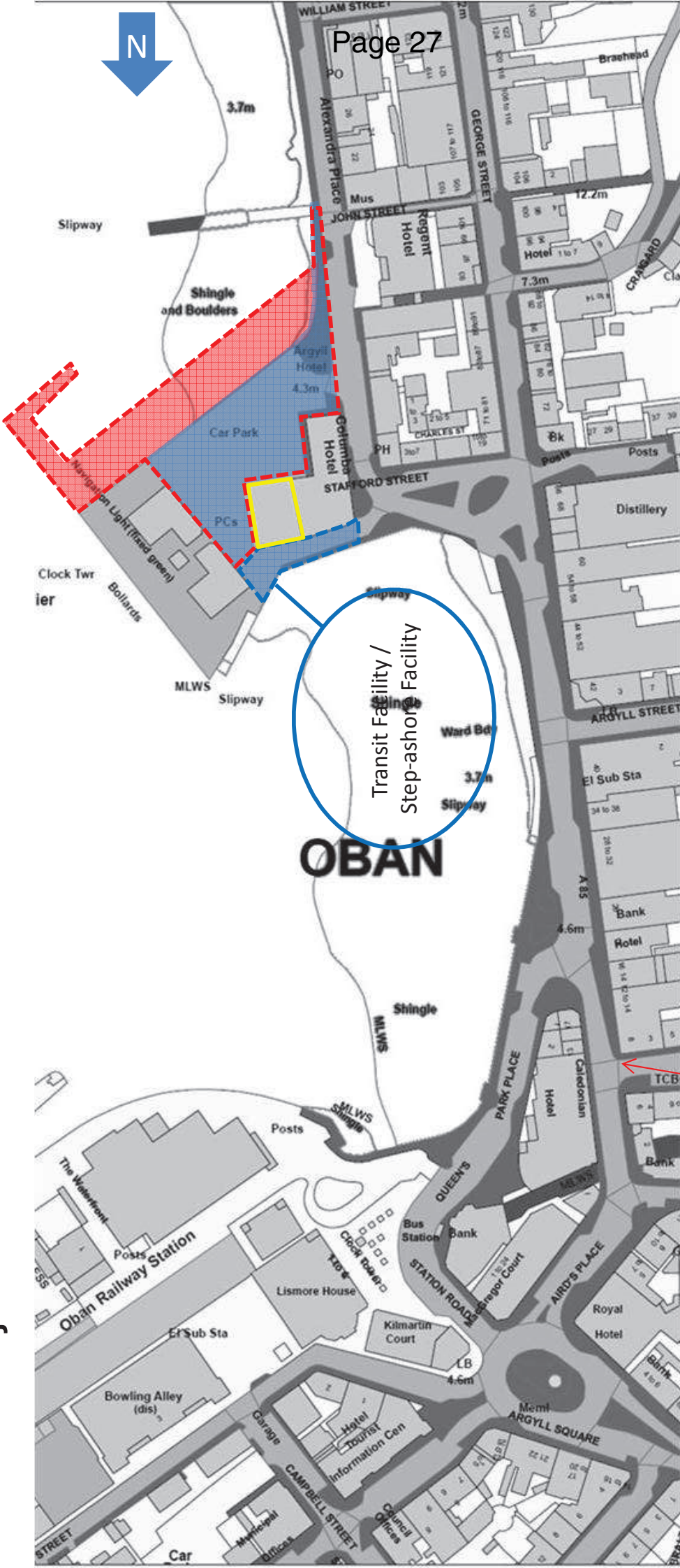


Oban CHORD – High Specification

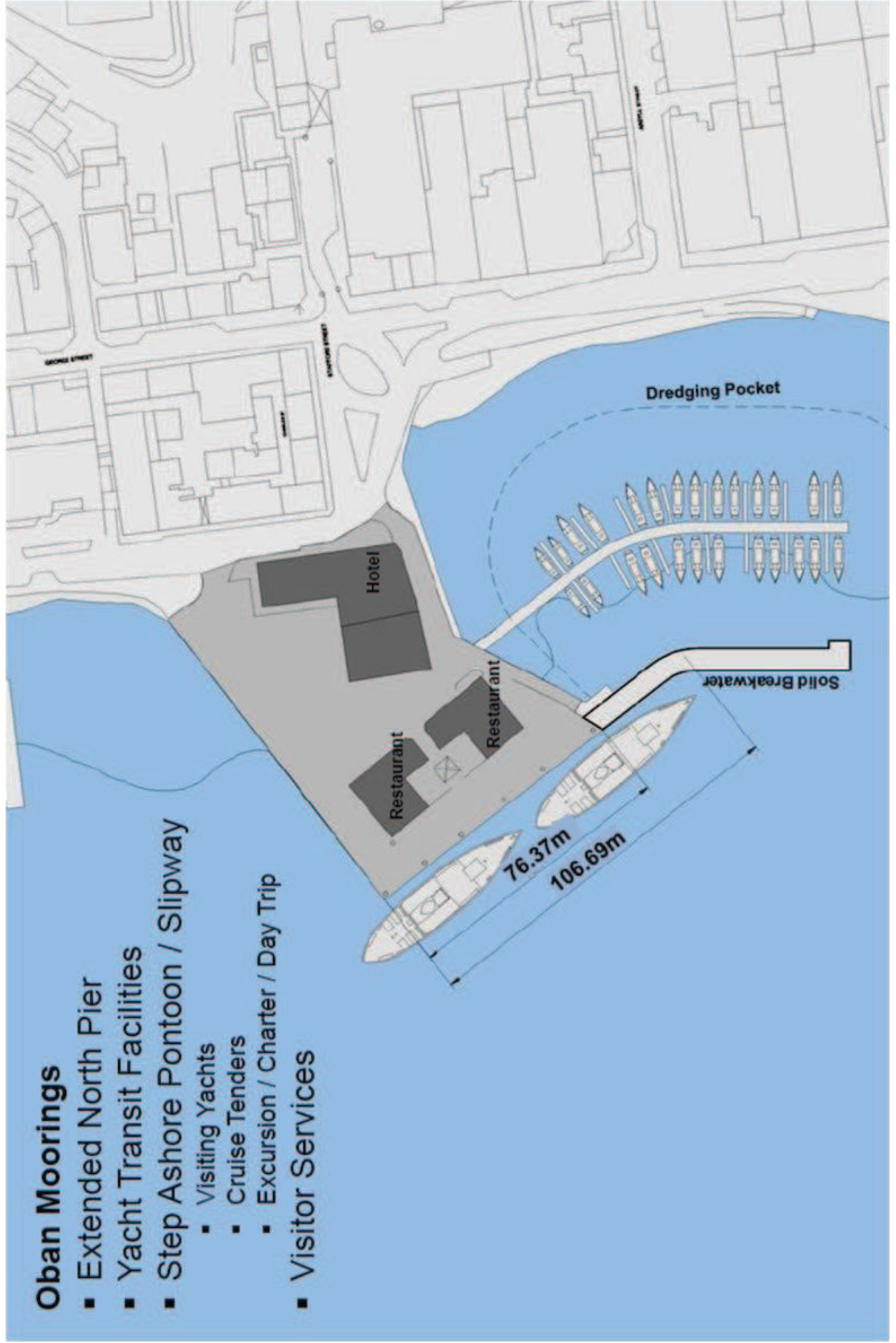


Oban CHORD – North Pier Quarter

➤ Objective – To enhance the function and use of North Pier .



Oban CHORD – North Pier Quarter



Oban Moorings

- Extended North Pier
- Yacht Transit Facilities
- Step Ashore Pontoon / Slipway
 - Visiting Yachts
 - Cruise Tenders
 - Excursion / Charter / Day Trip
- Visitor Services

Oban CHORD – Lighting Strategy

➤ Objective – To enhance, highlight and celebrate the built heritage and waterside location.



Building Lighting

£20k - £40k per site

Harbour Wall Lighting

£50k to £100k

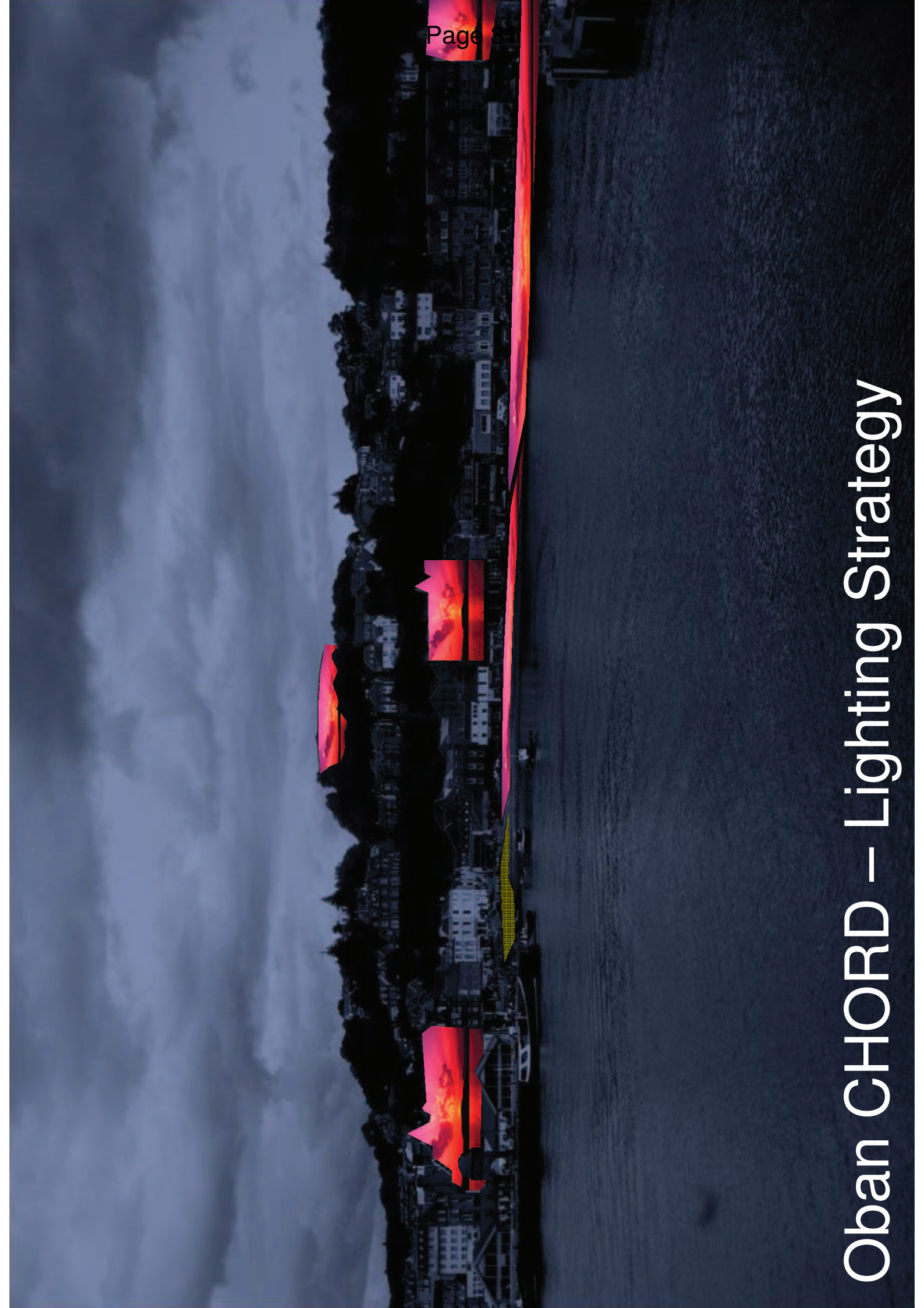
Street Lighting

£5k to £15k per column

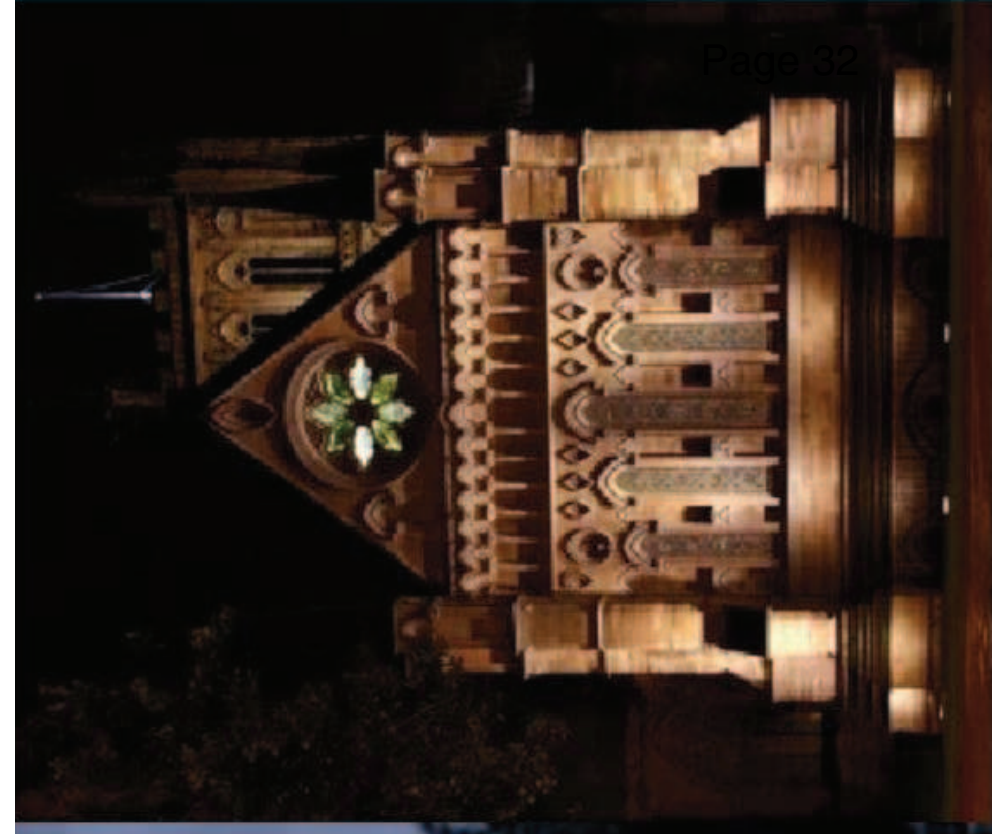
McCaig's Tower

Circa £40k

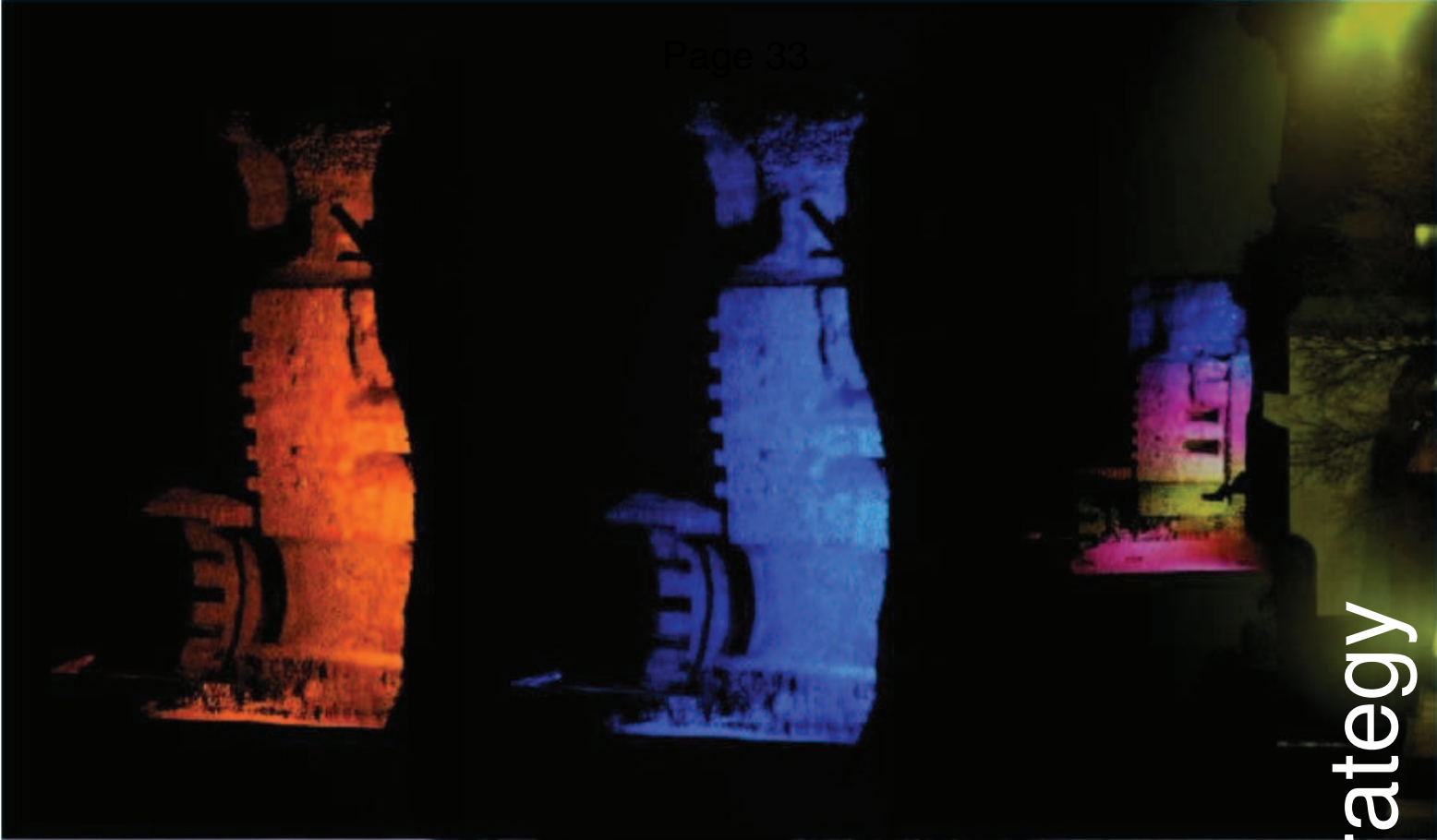
Strategy for locations and extents and specification required



Oban CHORD – Lighting Strategy



Oban CHORD – Lighting Strategy



Oban CHORD – Lighting Strategy

Oban CHORD – South Pier

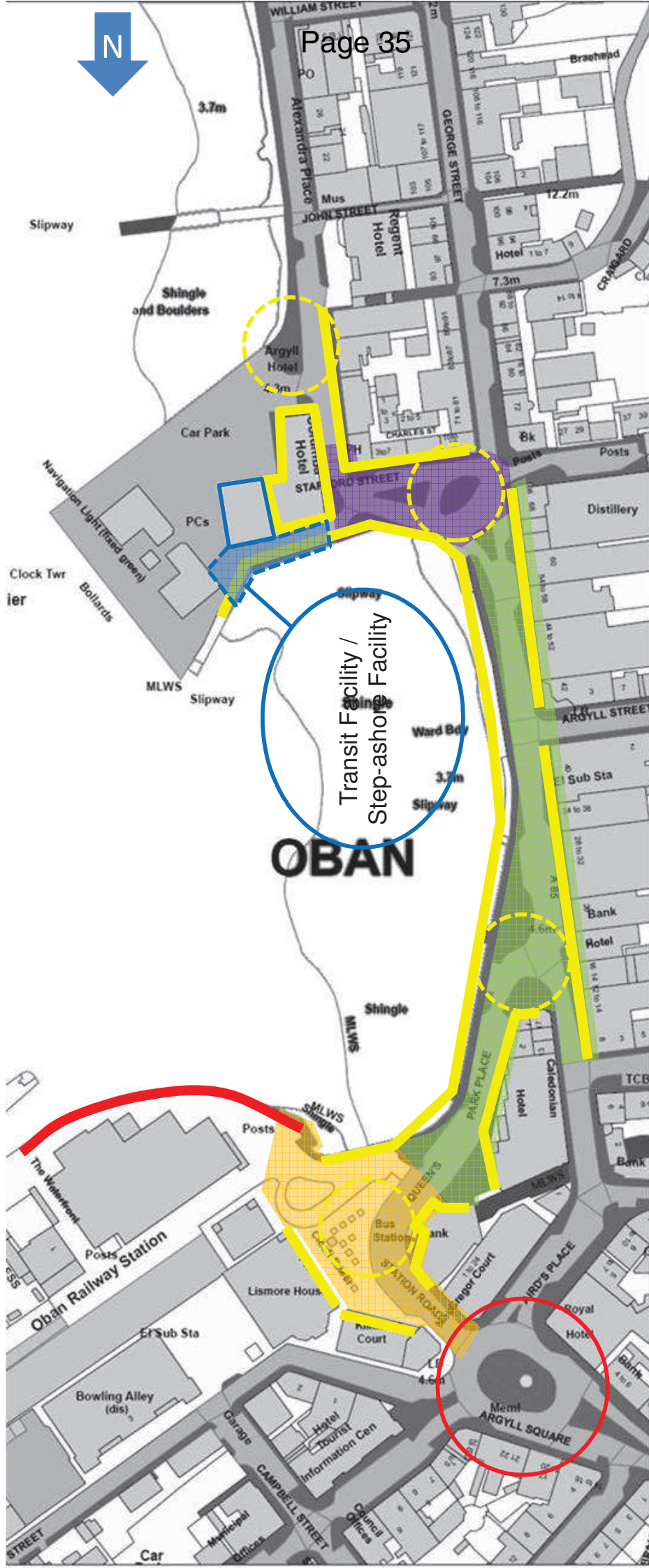
➤ Objective – To enhance the use and function of South Pier.



Project Cost	EFF Funding	CHORD Funding
£1.44M	£1.08M	£360k

EFF Submission being considered at present.

Oban CHORD – Summary



Oban Bay Public Realm	North Pier Quarter	Lighting Strategy	South Pier	Project Manager	TOTAL
£2.75M	£3.5M	£100k +	£360k	£150k	£6.86M

Oban CHORD – Reserve Projects



George Street Public Realm

£1M

Oban Bowl Car Park

£1M

Oban CHORD – Discussion



Lorn Arc TIF – Workshop Objectives

- Investment Options Review
- Economic & Financial Overview
- Update Approvals Process & Timescales



Lorn Arc TIF – Investment Overview

	Investment Opportunity	TIF Funding	Timescales
1	Lorn Rd / Kirk Rd Improvements	£2.75M	2014
2	Dunbeg Gateway Features	£0.2M	2014
3	Halfwayhouse Rbt / Dunbeg Development Rd	£2.0M	2015
4	South Oban Development Zone	£3.0M	2015/16
5	North Pier Extension	£5.2M	2016
6	North Pier Quarter	£1.0M	2016
7	Barcaldine Access Improvements	£0.4M	2016
8	Barcaldine O+M investment	£3.75M	2019
9	Airport Access Improvements	£0.19M	2015
10	North Lorn Business Park Enablement	£0.4M	2016
	TOTAL	£18.89M	



TIF Investments - Road Options Overview

- **Lorn Rd / Kirk Rd Improvements**
Indicative Cost - **£2.75M** TIF Input - **£2.75M**
Timescale – **0 to 2 Years**
- **Dunbeg Gateways / Traffic Calming**
Indicative Cost - **£0.2M** TIF Input - **£0.2M**
Timescale – **0 to 2 Years**
- **Halfwayhouse Rbt / Dunbeg Corridor**
Indicative Cost - **£12.7M** TIF Input - **£2M**
Timescale – **0 to 2 Years**
- **Oban South**
Indicative Cost - **£6M** TIF Input - **£3M**
Timescale – **2 to 10 Years**

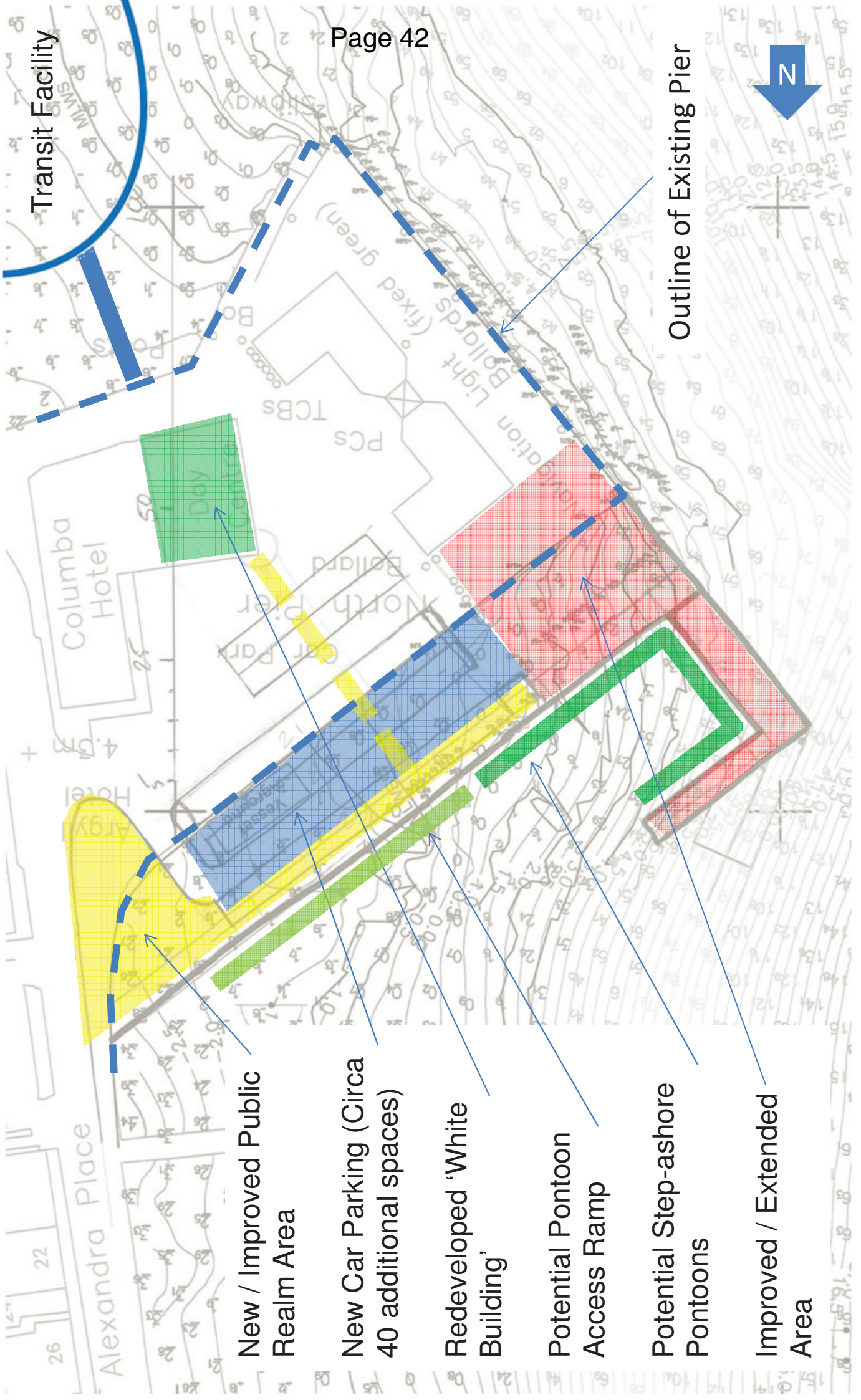


TIF Investments - Port Options Overview

- **North Pier Extension & Improvements**
Indicative Cost - **£5.2M** TIF Input - **£5.2M**
Timescale – **2 to 10 Years**
- **North Pier Quarter**
Indicative Cost - **£2.5M** TIF Input - **£1M**
Timescale – **2 to 10 Years**
- **Barcaldine Access Improvements**
Indicative Cost - **£0.4M** TIF Input - **£0.4M**
Timescale – **2 to 10 Years**
- **Barcaldine O+M Infrastructure**
(or alternate location)
Indicative Cost - **£10M** TIF Input - **£3.25M**
Timescale – **2 to 10 Years**



Oban CHORD – North Pier Quarter



Transit Facility

Columba Hotel

Hotel

Alexandra Place

New / Improved Public Realm Area

New Car Parking (Circa 40 additional spaces)

Redeveloped 'White Building'

Potential Pontoon Access Ramp

Potential Step-ashore Pontoons

Improved / Extended Area

Outline of Existing Pier



TIF Investments - Airport Options Overview

➤ **Access Improvements**

Indicative Cost - £0.25M TIF Input - £0.25M

Timescale – 2 to 10 Years

➤ **Airport Business Park Enablement**

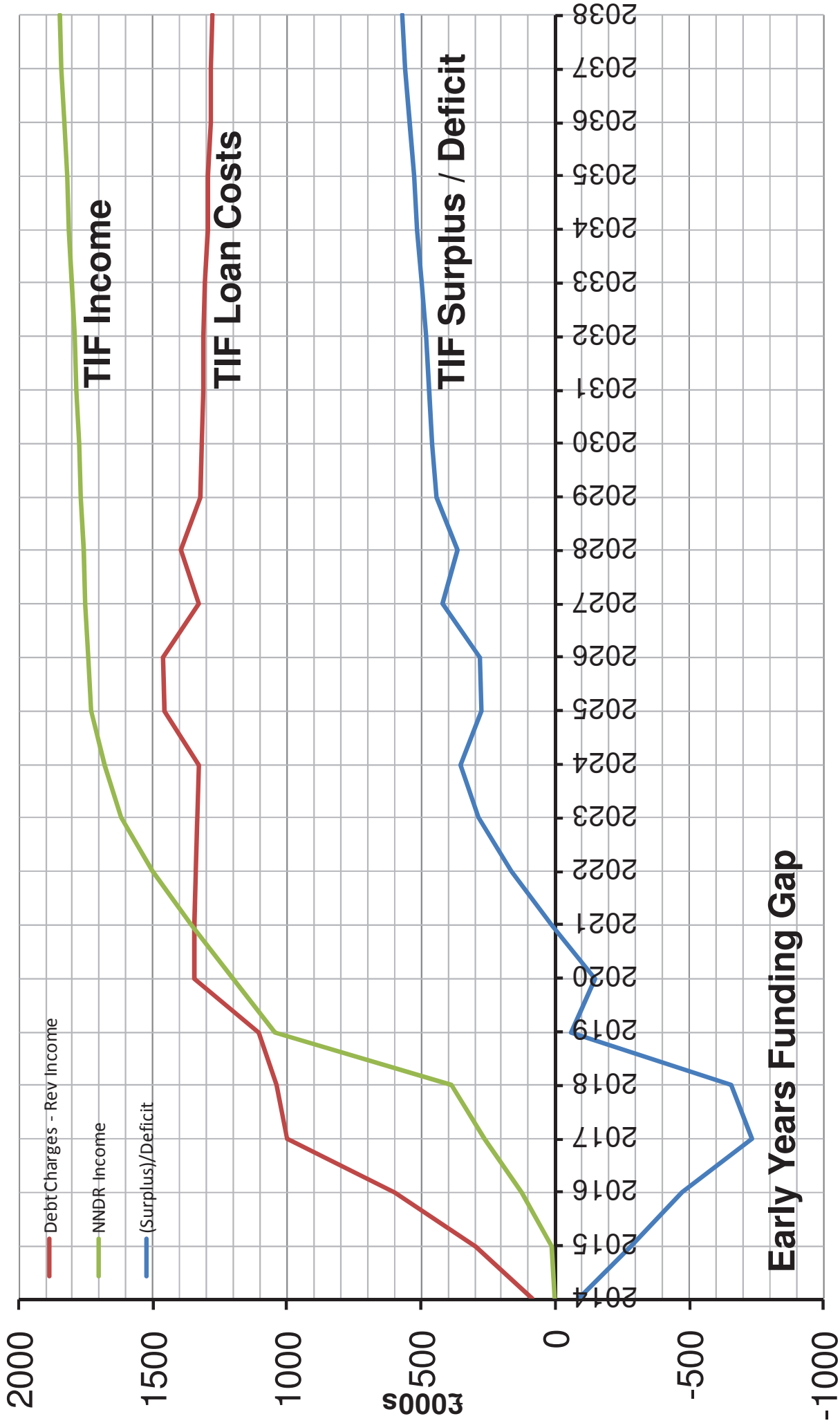
Indicative Cost - £0.4M TIF Input - £0.4M

Timescale – 2 to 10 Years



Lorn Arc TIF - Economic & Financial Appraisal

Lorn Arc TIF - Base Finance Output Overview



Lorn Arc TIF – Consultations

- BID4Oban
- Dunbeg Task Force
- Community Planning Group
- Community Councils
- Oban Rotary Club

Lorn Arc TIF - Approvals & Timescales

Argyll & Bute Council

- SMT
- CHORD Programme Board
- OLI Area Committee
- Full Council – April 2013

SFT / Scottish Government

- Ongoing Discussion with SFT
- Issue to SG following Council Approval
- Agreement in Principal Summer 2013

First TIF Investment / Start of Additional NDR Capture - 2014

Lorn Arc TIF – Discussion



Oban CHORD & Lorn Arc TIF Members Workshop 28th February 2013



ARGYLL & BUTE COUNCIL**CHORD PROGRAMME MANAGEMENT BOARD****DEVELOPMENT & INFRASTRUCTURE
SERVICES****22 MAY 2013**

LORN ARC – BUSINESS CASE

1. SUMMARY

- 1.1 The Draft Lorn Arc Tax Incremental Financing (TIF) Business Case is now largely complete. The Business Case outlines the proposals for delivering strategic road, port and site access infrastructure to enable the sustainable growth of Marine Science, Marine Tourism, Aquaculture, Renewable Energy and the wider economy in the Oban and Lorn area and beyond. The TIF arrangement, if approved by the Scottish Government, will allow Argyll and Bute Council to retain additional Non Domestic Rates (NDR) generated within an agreed boundary over a 25yr period to repay the borrowing.
- 1.2 The Steering Group, Project Manager and Council Officers have been involved in detailed discussions with key stakeholders, potential development partners and Scottish Futures Trust (SFT); and progress has been reported to the CHORD Programme Management Board and the Local Area Committee. This paper identifies the next key stages in progress the Lorn Arc Business Case.

2. RECOMMENDATION

- 2.1 The CHORD Programme Management Board note progress to date and agree to the approach being proposed in regard to the finalisation and future consideration of the Business Case.

3. DETAIL

- 3.1 The draft business case demonstrates tangible benefits at the national and local levels (for example, it is estimated that 1,300 net additional new jobs will be created at the Scottish level) and these will have a very positive impact in regard to employment, demography, infrastructure and housing in the Lorn and Argyll and Bute area. The TIF investment will also be a key delivery vehicle for the Local Development Plan.
- 3.2 The infrastructure that will be funded or part-funded by TIF will stimulate a range of industries that will have low levels of displacement and high levels of additionality e.g. marine science, marine energy, marine tourism, aquaculture and manufacturing. The investment and related infrastructure have the potential to make Oban and Lorn a “growth pole” for the west of Scotland and counter Argyll and Bute’s demographic decline.
- 3.3 The draft business case also demonstrates that the project can repay its borrowings within the stipulated twenty five year period. However, there is an accumulated short fall of c. £2million in the initial years of the project before revenues are generated for repaying the borrowings. The Council has requested

that the Scottish Government agree to a suspension of loan repayments for the initial years of the Lorn Arc project until income is generated. The Council is awaiting a response on this matter. Should the request be declined, it is proposed that the options for the Council repaying the borrowing in the initial years are given further consideration by officers in Strategic Finance and will be reported to SMT and the Programme Management Board.

- 3.4 The draft business case has been discussed in detail with the SFT at a senior level over the last five months and has been broadly well received. A draft of the business case has been passed on to the Scottish Government by the SFT for comment. The response from the Scottish Government will inform the level of adjustment that is still required in regard to current draft of the Business Case.

4. TIME SCALES & NEXT STEPS

It is proposed that the Business Case is not finalised and submitted to the Programme Management Board for onward passage to the Council, until the issues relating to the Suspension of Payments/initial income shortfall are clarified and the Scottish Government’s initial comments in regard to the Business Case have been received and addressed. In light of these two factors, consideration of the TIF Business Case at the June Council is possible. However, a Council date after recess is a growing probability.

5. IMPLICATIONS

POLICY	The delivery of the Lorn Arc Business Case fits with the Council’s Corporate Plan, Single Outcome Agreement and approved Development Plan policy. The economic outcomes from these projects will contribute to the Government’s Economic Strategy.
FINANCIAL	The Council has made available the sums required to progress the Lorn Arc project to Business Case.
PERSONNEL	The resources have been allocated to progress the Lorn Arc project.
EQUAL OPPORTUNITIES	An Equalities Impact Assessment will be undertaken as part of the Full Business Case process.
LEGAL	Resources have been allocated as per the approved Project Initiation Documents.

Sandy Mactaggart, Executive Director, Development and Infrastructure

Robert Pollock, Head of Economic Development and Strategic Transportation

13 April 2013

For further information - please contact Robert Pollock
01546 604115