

---

**CONSERVATION AREA REGENERATION SCHEME (CARS) FUNDING  
OPPORTUNITY**

---

**1.0 EXECUTIVE SUMMARY**

- 1.1. The purpose of this report is to invite Members to give consideration to two potential bids for Conservation Area Regeneration Scheme (CARS) funding, for Dunoon and Rothesay town centres. In addition, Members are also invited to give consideration to the recommended financial commitment that would be required from the council in respect to Dunoon.
- 1.2. The focus of this report primarily relates to Dunoon. This is because a potential Rothesay CARS bid would form part of a wider Townscape Heritage (TH) project, the preparatory work for which is underway and which would not require any additional council commitment other than officer time. Should Members be supportive of a CARS bid for Dunoon however, consideration should also be given to a council match funding contribution of £0.5M.
- 1.3. The CARS scheme is funded by Historic Environment Scotland (HES) and serves to provide financial assistance for conservation area based regeneration initiatives. HES announced a 7th round of CARS funding on 24 May 2016, inviting applications to be submitted by 31 August 2016. As it is possible for a local authority to make multiple applications, Members are therefore asked to consider the submission of 2 applications to this round.
- 1.4. At the Council meeting on 26 June 2014, following an appraisal of potential CARS projects, Members agreed to commission preparatory work that would fully assess the condition of buildings within Dunoon's town centre, with the intention to follow up with a CARS bid. As this process identified Dunoon as a strong candidate for this funding stream, and as Rothesay is expected to be part of a wider TH project, that could operate without CARS funding, priority would be given to Dunoon in the event that HES request that a preference is stated.
- 1.5. Work has been undertaken to scope out the potential for a Dunoon TH, however further to discussions with Heritage Lottery Fund (HLF) it has been confirmed that such a submission would not be encouraged. A CARS project is therefore the only potential funding option for a regeneration project that would support the repair of privately owned property in Dunoon.
- 1.6. Cost analysis, based on substantial survey work, has informed the scale of project required to ensure a meaningful impact is made to Dunoon's town

centre. A £2M project is therefore recommended, which if supported would require an ask to HES of £1M. This size of project would require a financial contribution from the council of £0.5M with the remainder being met by private owner contributions. The project would run over a 5 year delivery period, 2017-2022.

- 1.7. Applications for CARS funding are subject to a competitive process. Whilst the council has successfully secured funding to assist with projects in Rothesay, Campbeltown and Inveraray in the past, there is however no guarantee that a bid to Round 7 would prove successful. The partnerships involved in the proposed Rothesay TH project and the significant wider Council-led investment in Dunoon should however serve to strengthen and add value to each potential respective bid.
- 1.8. Due to the relatively short timescale between the call from HES and the application deadline it was considered prudent to take a report directly to Council. Should a bid for Dunoon and Rothesay to HES be supported, officers will present the proposed schemes in detail to Bute and Cowal Area Committee in August for their endorsement prior to the submission deadline.

## **2.RECOMMENDATIONS**

- 2.1. It is recommended that members:
- 2.2. Note the content of this paper.
- 2.3. Agree to make 2 submissions to HES for CARS funding, with the following asks of: £1M in respect to Dunoon, and £0.5M in respect to Rothesay.
- 2.4. Agree to a financial commitment of £0.5M from the council over a 5 year delivery period, between 2017 and 2022, towards a Dunoon CARS.

**CONSERVATION AREA REGENERATION SCHEME (CARS) FUNDING  
OPPORTUNITY**

---

**3.0 INTRODUCTION**

- 3.1. The purpose of this report is to invite Members to give consideration to making two bids for Conservation Area Regeneration Scheme (CARS) funding to Historic Environment Scotland (HES), for Dunoon and Rothesay town centres. In addition, Members are also asked to give consideration to making a financial commitment of £0.5M from the council in respect to Dunoon.
- 3.2. Through the CARS scheme, HES provide financial assistance for conservation area based regeneration initiatives and have invited submissions to their 7<sup>th</sup> Round by 31<sup>st</sup> August 2016. Should the bids be supported, an ask for £1M would be made in respect to Dunoon and an ask of £0.5M would be made in respect to Rothesay.
- 3.3. The focus of this report relates primarily to Dunoon. This is because a CARS project would be the only funding option to support the repair and enhancement of privately owned buildings within Dunoon's town centre, and which has been confirmed through discussions with HLF.
- 3.4. Rothesay, however, is currently subject to a Townscape Heritage (TH) development phase which will culminate in a second round submission to Heritage Lottery Fund (HLF) in March of next year for a five-year TH project. Although a CARS project for Rothesay would add substantial value to the TH and create greater investment potential, the Rothesay project could potentially operate as a standalone TH. With this in mind priority would be given to Dunoon should the council be asked by HES to state a preference. The TH funding would also act as match funding for any potential CARS bid and as such a financial commitment from the council is not required in respect to Rothesay.
- 3.5. Detailed preparatory development works were undertaken in Dunoon throughout 2015 and encompass survey analysis in relation to all properties on Argyll Street, including shopfronts. In addition, the comprehensive survey analysis of four buildings of particular architectural interest was undertaken, and detailed associated costs of repair produced. The scoping work also incorporated a consultation exercise to invite feedback from property owners and the community on the work to date.

- 3.6. In addition to the above, the consultants were commissioned to produce a Conservation Area Appraisal and Conservation Area Management Strategy, and to do this within the context of a conservation area boundary review. This work is also complete and currently subject to a statutory planning consultation process, which is due to conclude on 29 June 2016. Comments thus far have positively supported the proposed alterations.
- 3.7. A submission to HES would propose a £2M project for Dunoon. This is based on cost analysis with outcomes that would have the potential to deliver the restoration of buildings and shopfronts on Argyll Street, presenting opportunity to substantially lift the appearance of the principal shopping street and revitalise the town centre by encouraging higher levels of footfall. This would also strengthen the route between the Queens Hall and Burgh Halls and in turn add value to both projects. Discussions with HES have suggested that this is a realistic level of project and that an application for £1M would stand the best chance against competition. Within the context of a £2M project a £0.5M commitment would be required from the council over a 5-year delivery period, with the remainder being met by property owners.
- 3.8. It should be noted that applications for CARS funding are subject to a highly competitive process. Whilst the council has successfully secured funding to assist with projects in Rothesay, Campbeltown and Inveraray in the past, there is however no guarantee that bids to this round would prove successful.

#### **4.RECOMMENDATIONS**

- 4.1. It is recommended that members:
- 4.2. Note the content of this paper.
- 4.3. Agree to make 2 submissions to HES for CARS funding, with the following asks of: £1M in respect to Dunoon and £0.5M in respect to Rothesay
- 4.4. Agree to a financial commitment to the project of £0.5M from the council over a 5 year delivery period, between 2017 and 2022 towards a Dunoon CARS.

#### **5.0 DETAIL**

- 5.1. The CARS programme was established by HES in 2005 to provide financial assistance to area based regeneration and conservation area initiatives, for the protection of the historic environment. The CARS scheme can either

operate as a stand-alone initiative or as an additional funding stream in support of projects taken forward under the Townscape Heritage (TH) programme (previously known as the Townscape Heritage Initiative), which is administered by Heritage Lottery Fund (HLF).

- 5.2. A paper was seen by Policy and Resources Committee on 20 August 2015, which set out the opportunity for a second TH for Rothesay. A successful application to HLF followed, resulting in the award of development monies to progress proposals. Within both the aforementioned paper, and within a paper seen before Council on 21 April 2016, CARS funding was highlighted as being a source of funding that could potentially support and increase the potential TH investment and project deliverables. The second round application is due to be submitted to HLF in March 2017 for decision in June 2017. Should a CARS bid also be made for Rothesay, the TH funding would act as match.
- 5.3. There has been six CARS application rounds to date, which in total have awarded £33.49M of HES funding. Each CARS round has been assigned a different budget, ranging from £1.9M to £10M. Six towns benefitted from the most recent round, sharing a £6.4M budget. A £10M funding pot has been announced for this round.
- 5.4. Should Members agree to the submission of two bids, and should these prove successful, the projects would run from 1 April 2017 to 31 March 2022, with the Rothesay project being run as part of a wider TH. Each respective CARS would seek to provide financial assistance for conservation area based regeneration activities undertaken by property owners.
- 5.5. Subsequent to discussions with HES, a £1M ask is deemed to be the most realistic bid and is likely to have the best chance within what is expected to be a highly competitive round. The project has been developed to reflect this dialogue and therefore includes the scope and scale of that which is likely to stand the best chance of securing HES funding. Within the context of a £2M project, £0.5M would be required from the council, with potential for this to be added in at any point during the five year project duration. The remainder would be met by owner contributions.
- 5.6. A bid to HES would seek to make reference to the wider proposals for Dunoon to ensure that the council's commitment to strengthening the town's opportunity for economic development is reflected. A CARS project would therefore be promoted within the context of having potential to support and add value to the Queens Hall, Dunoon Primary School and pier projects. There is not however opportunity to use some of this significant council investment as match funding, so a dedicated council contribution is required.
- 5.7. In recent years, the council has committed between £0.2M and £0.5M to the CARS projects in Campbeltown, Rothesay and Inveraray.
- 5.8. The following table provides information on the successful Argyll and Bute awards to date.

Round	Town	Council Contribution	HES Award
1	Campbeltown	£200,000	£382,500
4	Rothesay	£500,000	£499,933
5	Inveraray	£350,000	£970,000
6	Campbeltown	£500,000	£990,000

5.9. The Campbeltown round 1 and Rothesay project are now complete, having delivered on time and within budget. The projects have successfully secured the following outcomes, which are illustrative of what such projects can achieve:

Campbeltown	Rothesay
<ul style="list-style-type: none"> <li>• 17 shopfronts refurbished</li> <li>• 140 original timber windows refurbished</li> <li>• 75 grants offered, amounting to £650,000</li> <li>• Work to 50 buildings</li> <li>• Taking other funders and owners contributions into account over £4m has been spent on buildings since 2007 (this includes the THI/CARS overlap period)</li> <li>• Over 40 local contractors involved to date.</li> </ul>	<ul style="list-style-type: none"> <li>• 4 large tenements comprehensively restored</li> <li>• 1 gap site redeveloped</li> <li>• 10 shopfronts replaced/restored</li> <li>• 8 smaller scale repairs made</li> <li>• 4 construction jobs created as a direct result of the project</li> <li>• Over 2000 people actively engaged in a programme of training and events</li> <li>• £2.6M project, which taking account of private finance levered in resulted in over £4M spent in the town centre over a five year period - 2011 – 2016</li> </ul>

5.10. Details on all HES awards can be found at the following: <http://www.historic-scotland.gov.uk/index/heritage/grants/conservation-area-regeneration-scheme.htm>

5.11. HES have made a total of 54 awards to date, with an average award of £620K, and a maximum award of £1.6M. Both the first Campbeltown and Rothesay CARS were part of larger THI projects, however the second Campbeltown and Inveraray projects are stand-alone CARS. Further to discussions with HLF and HES, it is proposed that a potential Dunoon CARS operate as a stand-alone project and that CARS funding is requested to support the proposed wider TH project in Rothesay.

5.12. As a CARS project is a heritage-led scheme, only buildings within conservation areas are eligible for grant. As such, the scoping work also included for the review of the conservation area boundary, with the result that an extension is proposed to include Dunoon town centre, specifically Argyll Street. The proposed boundary extension and accompanying Dunoon

Conservation Area Appraisal and Management Strategy are subject to a statutory planning process. This will include a period of public consultation and a Strategic Environmental Assessment (SEA). A report, recommending that the boundary extension and appraisal and management strategy documentation be subject to a period of public consultation, including relevant timelines and all other relevant planning regulatory aspects was seen before PPSL on 20 April 2016.

- 5.13. In addition to an award of £1M from HES and a council contribution of £0.5M, a Dunoon CARS project is also therefore predicated on the successful extension of the conservation area to encompass Argyll Street. If any of the aforementioned aspects do not happen, the project would not be able to proceed.
- 5.14. Should a bid for Dunoon and Rothesay to HES be supported, officers will present the proposed schemes in detail to Bute and Cowal Area Committee in August for their endorsement prior to the submission deadline.

## **6.CONCLUSION**

- 6.1. There is no doubt that there is enormous benefit in securing funding for our towns and conservation areas via the CARS and TH funding programmes. This has been demonstrated by the success of the Campbeltown and Rothesay CARS projects, and also by the ongoing investment in Inveraray.
- 6.2. A Dunoon CARS project has the potential to assist in addressing some of the underlying issues affecting the built fabric of the town and to assist in the economic regeneration of Dunoon. Furthermore, it would have the potential to support, add value to, and protect the investment in the wider regeneration work, particularly in relation to strengthening the route between the Queens Hall and Burgh Halls.
- 6.3. Members are therefore asked to give consideration to both a Dunoon and Rothesay submission. The process is highly competitive however and funding is not guaranteed.

## **7.IMPLICATIONS**

- 7.1. Policy – In order to meet the funding criteria, the conservation area boundary would have to be redrawn to include Dunoon's town centre, specifically Argyll Street. On 20 April 2016, PPSL Committee agreed that such an extension to the conservation area be consulted upon. This consultation is currently underway and will conclude on 29 June 2016. Comments to date have been supportive.

- 7.2. Financial – A financial commitment from the council is essential as part of a bid in respect to Dunoon and as such Members are asked to make a commitment of £0.5M between the period April 2017 to April 2022. In relation to Rothesay, the match funding would come from the TH and as such no additional resources are required other than officer time.
- 7.3. Legal – Contracts between the Council and HES would be entered into should awards be made.
- 7.4. HR – Submissions would be made by existing staff. Should these be successful in attracting awards, the Dunoon award would include for staff costs for a new dedicated CARS Officer position.
- 7.5. Equalities – None
- 7.6. Risk – Should the conservation area not be extended to include Argyll Street, it is unlikely that HES would accept a submission for CARS funding, as in this situation, the funding criteria would not be met. There is also a risk that due to the competitive nature of the process, an application could be unsuccessful.
- 7.7. Customer Service - None

**Executive Director of Development and Infrastructure, Pippa Milne**  
**Policy Lead Councillor Aileen Morton**

4<sup>th</sup> June 2016

**For further information contact:**

Lorna Pearce, Senior Development Officer, 01700 501 374