

**PROJECTS AND REGENERATION TEAM – LARGE SCALE PROJECT UPDATE
REPORT**

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update the Policy & Resources Committee on progress in delivering the larger scale project work of the Project and Regeneration Team with a focus on those projects that are mainly externally funded. The attached Highlight Report (Appendix A) outlines the current position of the projects as at July 2016.
- 1.2 The paper also reports on key issues that will impact on the successful delivery of the projects.
- 1.3 It is recommended that the Policy and Resources Committee:-

Note the current progress and agree to future update project reports coming before the Policy and Resources Committee every six months.

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2. INTRODUCTION

2.1 The progress report sets out the current position of the larger scale projects that are mainly externally funded and are being delivered by the Projects and Regeneration team. As well as being responsible for the development and delivery of a number of large scale externally funded projects with a strong economic regeneration, community and heritage focus, the remit of the team also covers other key areas of work. These include

- development and delivery of smaller scale projects including the management of smaller external funding grants such as Stalled Spaces,
- delivery of the Argyll Coastal Waters project,
- development and delivery of a number of charrettes working in partnership with the community and key partners leading to the development of actions plans,
- development of the economic opportunities for Argyll and Bute across the Film and Renewables sector,
- delivery of the Glengorm Wind Turbine project and
- support to third sector organisation involved in the delivery of their own individual projects

2.2 In addition the team is responsible for overseeing the management and monitoring of payment of council match funding grants to specific community and third sector organisation to assist in the delivery of projects such as Campbeltown Cinema, Kilmartin Museum and NVA St Peters Seminary. The latter also includes the recently approved RCGF grant. Arrangements are currently being put in place for the management of this grant and an update report will be included in the next report to Policy and Resources.

2.3 The Team is currently leading on the development of a CARS funding bid for Rothesay and Dunoon, deadline 31 August 2016. If successful these projects will be delivered over a five year period, starting 2017.

2.4 The attached Highlight Report (Appendix A) outlines the current position of each of the larger scale externally funded projects.

2.5 The paper also reports on key issues that will impact on the successful delivery of these projects.

3. RECOMMENDATION

3.1 Note the current progress and agree to future update project reports coming before the Committee every six months.

4. DETAILS

4.1 **Progress** –.This is the first progress report to come before the Policy & Resources Committee in regard to the delivery of the larger scale projects which lie within the responsibility of the Projects and Regeneration team. Previously some of these larger scale projects such as the Rothesay THI and Campbeltown THI were reported via the Major Capital Regeneration reporting mechanism.

4.1.1 **Campbeltown Conservation Area Regeneration Scheme (CARS)**

Following a successful bid to CARS Round 5, the Council secured funding from Historic Environment Scotland (HES) in March 2015 with an award of £990,000. This is Campbeltown's second CARS and the project runs from April 2015 to March 2020 and builds on the success of the Campbeltown Round 1 CARS and THI project. The latter having just recently been completed with the opening of the re furnished Town Hall and the redevelopment of the Cross Street Main street building.

The total common fund including the Historic Environment Scotland grant (£990,000), Council match funding (£500,000) and owner's contributions is £2,170,422. There is a dedicated project officer appointed to secure the delivery of this second CARS over the five years of the project.

Following a procurement process, ZM Architecture were appointed under a single provider framework contract as the design team to enable the owners to easily engage relevant professional support in the execution of CARS funded projects. Rather than building owners having to undertake their own procurement process they can, if they wish, utilise the design team agent appointed via the single provider framework. This can help to reduce the burden of work on the owners and also speed up the development and delivery timeline for each building project.

To date one grant has been offered amounting to £203,609 in respect of 10-20 Longrow South. This is one of the four priority buildings identified for delivery as part of the current CARS.

In addition the first phase of the small grants scheme (£100,000 of a £197,200 funding pot) was launched on 7 July 2016. It is hoped that there will be a high demand for this initial small repair grant.

The project officer, alongside colleagues in housing services and building standards, is currently progressing work with the owners of Longrow South/Main Street/Union Street tenemental building. This is a particularly complex priority project.

4.1.2 Hermitage Park, Parks for People Project, Helensburgh - The Council and partners were successful in the stage two funding application to Heritage Lottery Fund (HLF) for £2,333,247. On 21st January 2016 The Council approved the HLF Terms of Grant award for the conservation, development and reconfiguration of the recreational facility of Hermitage Park in Helensburgh and permission to start was granted in May 2016.

The Hermitage Park stage two project cost is £3,110,996 and includes funding from a range of sources, including a council commitment of £280,000 agreed in February 2013, Ministry of Defence Covenant application of £253,000 and recently approved Sustrans funding application of £300,000. All match funding is now in place, subject to funding conditions being met.

Following a procurement process the lead consultants Gillespies have been re-appointed alongside the design team. Work has commenced on the delivery of the detailed design and contracts drawings, which will take the project to RIBA work stage four (E) and will require HLF approval. Full planning permission and listed building consent has been granted subject to certain conditions for the delivery of the project.

The project is currently in the middle of the procurement process, and works are due to start on site in November.

4.1.3 Rothesay TH Phase 2 – Following a successful five year delivery phase the initial Rothesay Townscape Heritage Initiative (THI) was completed on 31 March 2016. The project was delivered on time and in budget. During the last year of the THI HLF encouraged the council to submit a first round funding bid to secure a subsequent round of HLF funding for a second phase Townscape Heritage (TH), formally known as the THI. The bid was submitted in September 2015 and was successful and a first round grant of £109,700 was awarded to the Council on 26th January 2016 by HLF. This award will fund a first round yearlong development phase to support and inform a subsequent robust and deliverable second round bid to be submitted to HLF in March 2017.

Subject to a successful second round TH bid in March 2017, decision due Summer 2017, HLF have earmarked £1,889,700 for a Rothesay TH project that would run over a 5 year delivery period, 2017-2022. In addition to the agreed Council match funding of £200,000 it is also intended to use the development year to scope out other potential funding avenues, particularly those relative to Sustrans and CARS to ensure that the resulting project is as meaningful as possible. The Council recently agreed to a CARS bid being submitted for Rothesay as well as Dunoon.

The focus of the TH will be much more holistic than that of the recently completed THI, and as such will seek to involve the community at every opportunity. Feedback and actions from the Rothesay Charrette, a community consultation and master planning exercise, held in February 2016, will shape the direction and scope of the TH project. It is also intended to work closely with Bute Alliance for Action, the organisation which commissioned the Charrette and which will also deliver elements of the development phase of the TH in partnership with the Council.

The current development work will encompass detailed building survey analysis, cost and valuation analysis and work on specific pilot projects around energy efficiency, factoring and creative industry pop-up spaces and workshops. It will also consider the movement and flow of visitors and shoppers around the town centre and how this could be improved with enhanced signage and interpretation, and also seek to enhance navigation of the route to the Pavilion. The development phase will be undertaken in close liaison with the Pavilion Project to ensure complementarity.

Procurement is well advanced for the appointment of consultants to undertake the building survey work and recruitment is in hand for the appointment of the TH development officer whose role it will be to develop a strong and robust second round application. Work is also currently on going in regard to the CARS bid, deadline 31 August 2016.

- 4.1.4 **Inveraray CARS** - Historic Environment Scotland (HES) CARS grant was awarded in March 2013 and the project commenced 1 April 2013. The Total fund is £2,122,654.00 of which HES awarded £970,000 to the Council and the Council agreed to provide £350,000 of match funding. Funding for a project officer was secured as part of the project and an officer is currently in post delivering the project. The project is currently into its fourth year of delivery, completion due 31 March 2018.

All grants have now been approved and allocated including those to the 5 priority buildings - Arkland, Relief Land, Town House, Chamberlain's and Temperance and all priority buildings are now on site.

There is good progress with the Town House project. Chamberlain's and Temperance works are of a smaller scale than Arkland and Relief Land and are due to be finished end of 2016. Arkland and Relief land are of a much larger scale and more complex in nature. Whilst listed building consent has been approved for these buildings a number of the associated conditions are still due to be discharged.

The programme for Arkland and Relief Land currently shows works due for completion end of February 2017, however, this may well be pushed back due to delays starting on site.

A Total of 12 small grants have been approved and of those 3 have

been completed with one due to start on site in August 2016. Discussions are on-going with the remaining owners and their agents to confirm if the remainder of the small grants awarded will in fact be taken up timeously.

A number of complementary initiatives have been held including lead training, surveying of heritage buildings, energy efficiency and dampness and discussions are currently on going with colleagues in education to develop a number of education focused events linked to Inveraray Primary School and also Lochgilphead Secondary School.

- 4.2 **Budget:** These are predominantly externally funded projects with a proportion of Council funding and for each project there are set budgets against specific outcomes and timelines. The externally funded elements of the project costs can only be claimed once there is proof of all the necessary information to the external funders.

5. CONCLUSION

- 5.1 Delivering this number of externally funded projects is challenging and particularly in the case of the TH/CARS projects where our role is one of encouraging residential and commercial private building owners to access grants in order to secure investment into the fabric of our towns. In regard to the latter the successful delivery of the projects requires close working with the respective owners, both residential and businesses, to ensure compliance and delivery in accordance with the various funders' criteria, timelines and budgets available. Progress is reviewed continually and we report on a quarterly basis to the respective funders on all our externally funded projects.

6. IMPLICATIONS

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| 6.1 POLICY | The delivery of these projects fits with the Council's Corporate Plan, Single Outcome Agreement and the Economic Development Action Plan. The economic outcomes from this project will contribute to the Government's Economic Strategy. |
| 6.2 FINANCIAL | As outlined in section 4.2 above. |
| 6.3 LEGAL | Each project will have differing legal and procurement requirements and we are working closely with colleagues to identify the support required and to allow this to be factored into future work plans |
| 6.4 PERSONNEL | Recruitment is currently taking place in regard to Rothesay TH development post. The resources required to deliver the projects will be continually |

monitored and reported to the Policy and Resource Committee.

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| 6.5 | EQUAL OPPORTUNITIES | There are no equal opportunities implications. |
| 6.6 | RISK | As outlined in Appendix A |
| 6.7 | CUSTOMER SERVICE | There are no customer service implications. |

Executive Director Development and Infrastructure Services: Pippa Milne

Policy Lead: Councillor Aileen Morton

August 2016

For further information - please contact Audrey Martin, Projects and Regeneration Manager
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APPENDICES

Appendix A –Project Highlight Report July 2016

APPENDIX A - LARGE SCALE PROJECT UPDATE REPORT

RAG Status August 2016

Risk <5 **Green** (low); Risk 5-<15 **Amber** (medium) and Risk 15-25 **Red** (High)

Project	Overall	Time	Quality	Cost	Outcomes/Benefits.	Notes
Campbeltown –CARS	<p>In March 2015, Argyll and Bute Council secured funding from Historic Scotland for a Round 6 CARS for Campbeltown town centre. This builds on the success of the Round 1 CARS and THI projects.</p> <p>Works progressing at 10-20 Longrow South (First of four priority project to be awarded a grant and go on site).</p> <p>Longrow South/Main St/Union St decking repair project and one of the priority projects –works continue in partnership with Housing Services. Report to MAKI on 3rd August.</p> <p>Work continues with owners of remaining buildings.</p> <p>Small grant scheme (£197,200 to be released over two phases, £100,000 in the first phase). The governance and scoring criteria was approved by MAKI. Scheme launched on 7th July.</p> <p>Success Built in Stone architectural exhibitions taking place in Glasgow 9 – 30th July and Campbeltown 8-20th August.</p>	The scheme , which consists of £2.2million, runs from April 2015 to March 2020	Building on the success of the initial CARS/THI this Second CARS scheme has been well received by the community and we have taken any lessons learned from the previous project and will apply it to the new project as we move forward.	<p>The total common fund including the Historic Environment Scotland grant (£990,000), Council (£500,000) and owner’s contributions is £2,170,422. To date only one grant has been offered amounting to £203,609 in respect of 10-20 Longrow South.</p> <p>The First phase of the small grants (£100,000) launched on 7 July and it is anticipated that there will be a demand for this initial grant.</p>	To bring derelict buildings back into economic use and to safeguard the future of other buildings thus preserving Campbeltown’s townscape heritage and improving the environment of the town and the sense of place.	
Project	Overall	Time	Quality	Cost	Outcomes/Benefits.	Notes

<p>Hermitage Park – Parks for People Heritage led regeneration</p>	<p>May 2016 - commencement of delivery phase following approval of HLF stage two bid. The application to SUSTRANS for £300K was successful and there is no longer a funding gap. The procurement process for delivery of the capital project is progressing and works are due to commence November 2016. Interviews have taken place and Melissa Simpson has been appointed Hermitage Park Manager/Delivery Officer, funded by HLF, and started in post on 16th May 2016. The Friends Group ran a successful Tea in the Park event which attracted 1,100 and helped to raise funds for future park developments. The steering group continues to meet monthly and minutes are available on request.</p>	<p>5 year delivery, involving the capital element as well as delivery of the activity plan, community engagement and management and maintenance. Construction start on site November 2016.</p>	<p>Quality of work is good and public feedback is very positive.</p>	<p>The Hermitage Park stage two project cost is £3,110,996 and includes funding from a range of sources, including a council commitment of £280,000 agreed in February 2013, Ministry of Defence Covenant application of £253,000 and recently approved Sustrans funding application of £300,000. All match funding is now in place, subject to funding conditions being met</p>	<p>Enhancing the attractiveness of the Park to local residents, visitors and investors thus increasing the economic performance of the town.</p>	
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Project	Overall	Time	Quality	Cost	Outcomes/Benefits.	Notes
Rothesay TH Phase 2	<p>Following the successful completion of the Rothesay Townscape Heritage Initiative (THI), completion date 31 March 2016, a first round TH funding bid was submitted to HLF in September 2016.</p> <p>The bid was successful and a first round grant award was awarded to the Council on 26th January 2016 by HLF.</p> <p>This award will fund a first round development phase of a year to support and inform a subsequent robust and deliverable second round bid to be submitted to HLF in March 2017.</p> <p>Work is ongoing with HIE, Alliance for Action and Mount Stuart Trust to secure the delivery of the Creative Industries element of the development phase.</p> <p>Procurement is well advanced for the appointment of consultants to undertake the building survey work and recruitment is in hand for the appointment of the TH development officer whose role it will be to develop a strong and robust second round application.</p>	<p>Whilst currently on track for completion march 2017 and submission of round two bid formal appointment of TH officer is critical in the next two months to ensure this timeline can be met.</p>	<p>The proposed second phase TH has been very well received by the community and it was a key action coming out of the recent charrette process,</p>	<p>First round grant HLF award of £109,700,</p>	<p>To bring derelict buildings back into economic use and to safeguard the future of other buildings thus preserving Rothesay's townscape heritage.</p>	

Project	Overall	Time	Quality	Cost	Outcomes/Benefits.	Notes
Inveraray CARS	<p>HES CARS grant awarded and project commenced 1 April 2013.</p> <p>Total fund £2,122,654.00 of which HES awarded £970,000 and Council awarded £350,000. Project Officer in post Project is into its fourth year of delivery, completion due 31 March 2018. All grants have been allocated including 5 priority grants to Arkland, Relief Land, Town House, Chamberlains and Temperance. All priority buildings now on site. 12 small grants approved: 3 completed 4 due to start in August 2016 2 due to start September 2016 3 no longer being progressed A grant has also been awarded and drawn down for an options appraisal relative to the community hall. Number of training events have also been undertaken as part of the project including training event for contractors: Lead Sheet Association CPD and practical, traditional building surveying - COMPLETE Training: seminars on 14th and 28th June relating to dealing with dampness and also energy efficiency</p> <p>Currently liaising with schools for future training events including a Walking Theatre event</p>	<p>The priority buildings have taken a considerable length of time to get on site however these are in the process of being delivered and we are seeking to ensure that these stay on track through weekly technical and site meetings with the relevant contractors and agent acting on behalf of the client. It is anticipated due to slow progress on site with Arkland and Relief Land projects that the timeline for completion may well be pushed back.</p> <p>The delivery of the remaining small grants does present a challenge in regard to slow progress however the officer continues to liaise with the agent and respective owners, to ensure these keep moving forward as per the timeline.</p>	<p>This has been a challenging project and there have been a number of issues that have had to be dealt with however it is felt that there is now evidence of progress on site. Notwithstanding this at this stage until further progress is demonstrated it is still a project that offers a medium risk in regard to delivery. Arkland and Relief Land are particular complex projects due to the scale and nature of the buildings and the progress on site has been slower than anticipated but is being closely monitored.</p>	<p>Total common fund £2,122,654.00, which included HES £970,000, Council £350,000</p> <p>All building grants, both priority and small grants have been allocated. This represents £1,858,516.29 of the total fund Total drawn down to date = £220,911.27</p>	<p>The Inveraray CARS project seeks to enhance the quality of the built heritage and environment of Inveraray as a place to live, work and visit. This aligns with the Councils and Scottish Government objective which makes specific reference to the importance of the physical fabric of our towns, the importance of Place and the need to ensure that there is an alignment of capital investment across the public sector and agencies.</p>	