

SURPLUS CHORD FUNDS

1.0 EXECUTIVE SUMMARY

1.1. Report outlines spend Options for the surplus CHORD funds of £197,626 reported to MAKI Area Committee on the 6th April 2016 and the subsequent decision by members to seek Policy & Resources Committee approval to allocate £15,000 towards a mechanical road sweeper, thus leaving surplus funds of £182,626.

1.2. The Options are in line with the report that was approved by the Policy and Resources Committee on the 18th August 2016:

- *To delegate the allocation of any CHORD surplus funds from the original Council allocation on the 27 November 2008, to Area Committees to approve in accordance with the original CHORD objectives detailed at 4.3 of the submitted report and the town centre project activities as outlined in Appendix A.*
- *Any deviation from the aforementioned terms and conditions of the award of surplus funds would, in line with CHORD governance, require the approval of the Policy and Resources Committee*

1.3. The Campbeltown CHORD objectives are set out at Section 4.2 and funds were allocated to: generate improvements to Campbeltown's heritage and conservation sites; and to enhance berthing facilities in Campbeltown Loch and for Kinloch Road Regeneration.

RECOMMENDATIONS

1.4. It is recommended that the MAKI members:

1.4.1. Note the content of the paper

1.4.2. Note officers recommendation that: (1) taking account of the amount of CHORD surplus funds available; (2) the criteria for the allocation of surplus funds without reference back to Policy & Resources Committee; (3) available staff resources/capacity; and (4) the economic impact the additional funds could make to the continued economic regeneration of Campbeltown town centre, Option 1 Transferring all of the surplus funds to the Campbeltown Townscape Heritage Initiative, is the preferred option.

SURPLUS CHORD FUNDS

2.1 INTRODUCTION

2.2 Report outlines proposals for allocating the surplus CHORD funds of £182,626 in line with the report that was approved by the Policy and Resources Committee on the 18th August 2016:

- *To delegate the allocation of any CHORD surplus funds from the original Council allocation on the 27 November 2008, to Area Committees to approve in accordance with the original CHORD objectives detailed at 4.3 of the submitted report and the town centre project activities as outlined in Appendix A.*
- *Any deviation from the aforementioned terms and conditions of the award of surplus funds would, in line with CHORD governance, require the approval of the Policy and Resources Committee*

RECOMMENDATIONS

3. It is recommended that the MAKI members:

3.1. Note the content of the paper

3.2. Note officers recommendation that: (1) taking account of the amount of CHORD surplus funds available; (2) the criteria for the allocation of surplus funds without reference back to Policy & Resources Committee; (3) available staff resources/capacity; and (4) the economic impact the additional funds could make to the continued economic regeneration of Campbeltown town centre, Option 1 Transferring all of the surplus funds to the Campbeltown Townscape Heritage Initiative, is the preferred option.

4. DETAIL

4.1 In 2009, the Council approved an investment of approximately £30 million for five of its waterfront towns to assist regeneration and economic development in Argyll and Bute, Campbeltown's capital funding allocation was £6.50 million. It was agreed that the projects be delivered in the context of the programme objectives for each town as outlined in the original Outline Business Cases.

4.2 The Tables below outlines how the Campbeltown CHORD monies were to be spent:

Table 1 CN01 - Campbeltown Townscape Heritage Initiative

<i>WHAT:</i>	to generate improvements to Campbeltown's heritage and conservation sites, renewing and restoring historic buildings.
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Table 2 CN02 - Campbeltown Berthing Facility

<i>WHAT:</i>	the development of improved berthing facilities in Campbeltown Loch, to position the facility for an improved market presence.
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Table 3 CN03 - Kinloch Road Regeneration

<i>WHAT:</i>	<ul style="list-style-type: none"> • to assist ACHA with their planned development of housing and community facilities. • to relocate the Council's road depot to another site to facilitate the housing development proposed by ACHA. • to investigate the potential for environmental improvement or renewal on underutilised land adjacent to the Council depot.
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4.3 Anticipated benefits for Campbeltown include:

- Improved character and appearance of the gateway to Campbeltown and the town centre.
- Increased turnover and employment in the commercial, retail and hospitality sectors and through new housing.

4.4 On the 6th April 2016, officers reported to the MAKI Area Committee the level of CHORD surplus funds available following delivery of the three projects listed at 4.2 above. It was agreed at this meeting that officers would come forward with options for the allocation of the surplus funds, £182,626. The Options outlined below are in line with the report that was approved by the Policy and Resources Committee on the 18th August 2016, which delegated the allocation of any CHORD surplus funds to Area Committees to approve in accordance with the original CHORD objectives at 4.5. The options also take account of available staff resources to deliver the chosen option(s).

4.5 **OPTIONS**

Option 1 - Campbeltown Townscape Heritage Initiative

4.5.1 To date the Townscape Heritage Initiative has had a significant positive

impact upon the town: repairing occupied buildings; bringing derelict buildings back into economic use; and the general enhancement to the town centre's built environment through grant assistance from external funders including Historic Environment Scotland (HES) and the Heritage Lottery Fund (HLF). Members may wish to consider transferring the surplus CHORD funds in their entirety to the HES CARS initiative, which is being managed by the Transformation Projects and Regeneration team within EDST – **this would be in line with the Original CHORD Objective CN01**. Details of the impact the CARS and THI has made to the town, to date, is outlined below. There is currently sufficient capacity within the team to enable this option to be taken forward without any additional resources having to be allocated/diverted.

- 4.5.2 From 2007 to 2015, 77 grants were awarded via CARS and the THI leading to over £7million of repairs to town centre properties. The Council contributed £1.2million and the majority of the work was carried out by local contractors. To build on this investment, the next Campbeltown CARS will run from 2015 to 2020 with the focus on essential repairs to key tenement properties within the main core of the town centre. Repairs to priority buildings alone will safeguard the future of 20 businesses and almost 70 jobs whilst creating opportunities for new businesses. The budget available for building repairs is £1.6million plus owner's contributions. Due to the high demand for funding, it is acknowledged that this will not be enough; therefore, the additional CHORD funds will enable more projects to be supported.

Option 2 - Campbeltown Seasports Project

- 4.5.3 The project is looking for financial support to enable them to develop a Full Business Case for the project. The project estimates approximate building costs of £2m. They have indicated that applying for grant support at this level of budget requires planning permission and accurate cost projections. To get to that point the project needs approximately £80,000. The Seasports partners are working hard to raise this money and have a £10,000 commitment from a private source.
- 4.5.4 Members will wish to note that of the three original CHORD Objectives both CN02 and CN03 have been delivered in their entirety. Accordingly, this proposal could only be considered against the one remaining CHORD Objective, CN01 Campbeltown Townscape Heritage Initiative. As the proposal does not: (1) sit within the defined geographic area of the Townscape Heritage Initiative; and (2) seek to 'generate improvements to Campbeltown's heritage and conservation sites, renewing and restoring historic buildings', **we do not consider that this proposal aligns with the**

CHORD Objectives.

- 4.5.5 If members of the Area Committee wish to support this option then that decision will require to be referred back to Policy & Resources for consideration i.e. P&R would be asked to approve whether an offer of grant could be made to the appropriate Group/s.
- 4.5.6 Subsequent to such a decision by the Area Committee, we would need to determine which current resources could be reallocated to work with the 3rd party proposers to develop the proposals to the extent that it could be taken to P&R for a decision. This may require resources to be diverted from projects which although having Council approval are currently in the early stages of development/implementation e.g. projects in Ardrishaig, Tarbert or Lochgilphead.
- 4.5.7 The allocated officers would then need to contact the groups for more information, carry out an assessment/due diligence and then report to P&R.
- 4.5.8 Members will wish to be aware of the lead in times for P&R Reports and the work involved in this. Economic Development officers are currently fully utilised in delivering the various capital regeneration and transformational projects already approved by the Council, and therefore resources would need diverted to undertake this assessment. It would not be possible to complete this assessment for the March P&R so it would have to be the next available meeting, date of which is yet to be fixed

Option 3 - *Campbeltown Guides Hall*

- 4.5.9 The Property Committee of the local Girl Guides Group is seeking financial support to enable them to undertake works to the old church hall that currently operates as a Community Hall and their base of operations.
- 4.5.10 Members will wish to note that of the three original CHORD Objectives both CN02 and CN03 have been delivered in their entirety. Accordingly, this proposal could only be considered against the one remaining CHORD Objective, CN01 Campbeltown Townscape Heritage Initiative. As the proposal does not sit within the defined geographic area of the Townscape Heritage Initiative, **we do not consider that this proposal aligns with the CHORD Objectives.**
- 4.5.11 Members will wish to note the comments previously provided at Paragraphs 4.5.5 to 4.5.8 of this report with respect to potential resource, capacity and timescale constraints.

Option 4 - *Campbeltown Picture House*

- 4.5.12 The project includes a number of areas, which are the responsibility of Campbeltown Community Business (CCB) rather than the main contractor.

These include cinema seating, acoustic wall linings, projection and sound equipment, furniture and AV equipment for the education/meeting room, foyer/café furniture and equipment including storeroom and kitchen fittings/equipment, and refurbishment of the courtyard office block. Some of these items were anticipated to be funded by the investment from a third party operator, but now require funding by CCB. CCB have a number of funding applications currently under consideration, however they are concerned that even if all of these were successful there would still be a funding shortfall and they are therefore seeking financial support from the surplus CHORD funds.

4.5.13 Members may wish to note that the Council has already provided funding support of £190,000 to the project to help meet a shortfall in the budget.

4.5.14 Members will wish to note that of the three original CHORD Objectives both CN02 and CN03 have been delivered in their entirety. Accordingly, this proposal could only be considered against the one remaining CHORD Objective, CN01 Campbeltown Townscape Heritage Initiative. As the proposal does not sit within the defined geographic area of the Townscape Heritage Initiative, **we do not consider that this proposal aligns with the CHORD Objectives.**

4.5.15 Members will wish to note the comments previously provided at Paragraphs 4.5.5 to 4.5.8 of this report with respect to potential resource, capacity and timescale constraints.

5. CONCLUSION

Taking account of the amount of CHORD surplus funds available, the criteria for the allocation of surplus funds, available staff resources and the economic impact the additional funds could make to the continued economic regeneration of Campbeltown town centre, the report has concluded that the surplus funds is best used to further enhance the town centre's built environment i.e. **Option 1 - Campbeltown Townscape Heritage Initiative.**

6. IMPLICATIONS

6.1	Policy	The delivery of the CHORD programme fits with the Councils' 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.
6.2	Financial	The level of surplus funds has been agreed with Finance.
6.3	Legal	None
6.4	HR	Option 1 takes account of current resource levels and allocation of responsibilities. Options 2 through 4 would

require resources to be diverted from other activities.

6.5	Equalities	None
6.6	Risk	See Paragraph 4.5.5. to Paragraph 4.5.8
6.7	Customer Services	None

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