

Tarbert and Lochgilphead Regeneration Fund

1.0 EXECUTIVE SUMMARY

- 1.1 This report asks Committee to confirm the finalised list of projects associated with the Tarbert and Lochgilphead Regeneration Fund which should proceed to full business case stage.
- 1.2 On 7 December 2016, the Mid Argyll, Kintyre and the Islands Area Committee shortlisted 11 projects for further consideration through the Tarbert and Lochgilphead Regeneration Fund and approval was given for expenditure of up to £250,000 of development costs. The shortlisted projects are detailed in paragraph 2.2 and Appendix 1.
- 1.3 The shortlisted projects fall into two main categories, some of the projects involve the Council's estate and generally seek to improve the public realm or public infrastructure. Others are projects which would be led by partner organisations and include new community facilities and redevelopment of derelict sites. Work has been undertaken, in conjunction with partner organisations where appropriate, to inform the outline business cases. The outline business cases have been prepared using the information available but for some projects significant unknowns remain and these could only be resolved with detailed investigation, design work and tendering.
- 1.4 Development costs to date have been kept to a minimum at this stage so that monies from the Fund are focused on those projects which are most likely to proceed. To date approximately £3,000 of the £250,000 has been spent. Costs incurred are expected to rise significantly as we progress to full business cases.
- 1.5 This process has confirmed that the £3 million allocated to the Tarbert and Lochgilphead Regeneration Fund would not fund all of the shortlisted projects, even with match funding being sought. It is estimated that a fund in the region of £6 million would be required to complete all of the shortlisted projects.
- 1.6 In order to assist with identifying which projects should go forward to full business case, the outline business cases have been scored by Strategic Finance. This process confirmed that all projects are, or could be, suitable for deliverability.
- 1.7 Specific objectives for the Fund were set down by Policy and Resources Committee when it considered the fund in May 2016 and a scoring methodology agreed by the Mid Argyll, Kintyre and the Islands Area Committee in December 2016. The impact

section of this methodology (that part which most closely reflects the Policy and Resources criteria) should be used as the basis of this prioritisation. The impact scoring for the shortlisted projects is detailed in paragraph 4.15. These scores have been revised based on the additional information received since the shortlisted projects were agreed and assessed independently by Strategic Finance to confirm that they have been considered in a fair and constant way.

- 1.8 On the basis that the Regeneration Fund “will focus on Tarbert, Lochgilphead and Ardrishaig” it is proposed that at least the top scoring project from each community should be progressed to full business case (these are also the top scoring projects as assessed).
- 1.9 The preference would then be for the next highest scoring projects from each community to be progressed however it would not be possible to fully fund all of these within the budget available for the Regeneration Fund. Revised budgets are therefore proposed for some of the second tier of projects. The proposed projects are detailed in paragraph 4.19.
- 1.10 The positives and negatives of delivering these projects are detailed in paragraphs 4.20 and 4.21.
- 1.11 It is recognised that further investigation may identify significant issues which affect the viability of the selected projects. It is therefore proposed that the projects in 4.22 are kept as reserve projects which can come forward if it is not possible to complete the projects listed in paragraph 4.19.
- 1.12 Once the Committee has confirmed the projects which are to proceed to full business case, the decision of the MAKI Area Committee will be reported to the Policy and Resources Committee in October. For partner projects there would be an expectation that projects will be driven by the group promoting the project and that they will be responsible for developing proposals to full business case stage. Agreements will be put in place with regards to the specifics of the grant as detailed in paragraph 4.2. Full business cases for Council led projects would be expected to be reported to committee within approximately 12 months. Costs associated with undertaking this work will need to be drawn from the development funding approved in December 2016. Staff resource will be required to successfully delivering the projects.
- 1.13 As the projects are all different the development of full business cases may progress within different timescales. It is therefore proposed that full business cases will be reported back to Committee as they become available. This approach will ensure that projects are progressed as quickly as possible and within the timescales required for other funders. However, as projects would be considered independent of each other, it will also mean that there is not an opportunity to balance any changes in one project against the other projects and this could increase risks overall.

- 1.14 Members of the Mid Argyll, Kintyre and the Islands Area Committee are asked to:
1. Note the additional work undertaken to develop understanding of the shortlisted projects;
 2. Note that the outline business cases are still based on broad assumptions and that further feasibility and design work is required to confirm designs, costs and solutions to technical issues which might arise as a result of the proposed projects. Such issues may affect the viability of the proposed projects;
 3. Recommend to Policy and Resources Committee:-
 - (i) that the 6 projects listed in paragraph 4.19 should be taken forward with the budgets as detailed and that work should commence on full business cases which will be reported back to committee for approval as they become available; and
 - (ii) the list of 4 reserve projects listed at paragraph 4.22 in the event that any of the projects agreed to be taken to full business case are unable to proceed.

Tarbert and Lochgilphead Regeneration Fund

2.0 INTRODUCTION

- 2.1 On 7 December 2016, the Mid Argyll, Kintyre and the Islands Area Committee considered an initial assessment of projects put forward for funding through the Tarbert and Lochgilphead Regeneration Fund, a £3 million area regeneration fund to be focused upon the Mid Argyll area.
- 2.2 At Committee, 11 projects were shortlisted for further consideration and approval was given for expenditure of up to £250,000 of development costs. The shortlisted projects were:

| Project Ref. | Project |
|---------------------|--|
| T02 | Barmore Road (A83)/Garvel Road junction improvement |
| T07 | Indoor bowling facility/sports hub |
| T10 | Pavement/public realm improvements |
| T11 | Harbour facilities |
| LA01 | Ardrishaig – Lochgilphead Cycling Link |
| LA10 | Lochgilphead Front Green |
| LA11 | Argyll Street |
| LA13 | Ardrishaig North Public Realm Improvements |
| LA16 | Ardrishaig South Public Realm Improvements (Pier Square) |
| LA17 | Gleaner Oil Site |
| LA20 | MAC Pool redevelopment |

- 2.3 The decision of the Mid Argyll, Kintyre and the Islands Area Committee was ratified by Policy and Resources Committee on 15 December 2016. A brief update on progress was provided to the Mid Argyll, Kintyre and the Islands Area Committee in April 2017.
- 2.4 This report provides an update on the work undertaken in the interim and asks Committee to confirm the finalised list of projects which should proceed to full business case stage.

3.0 RECOMMENDATIONS

- 3.1 Members of the Mid Argyll, Kintyre and the Islands Area Committee are asked to:
1. Note the additional work undertaken to develop understanding of the shortlisted projects;
 2. Note that the outline business cases are still based on broad assumptions and that further feasibility and design work is required to confirm designs, costs and solutions to technical issues which might arise as a result of the proposed projects. Such issues may affect the viability of the proposed projects;
 3. Recommend to Policy and Resources Committee:-
 - (i) that the 6 projects listed in paragraph 4.19 should be taken forward with the budgets as detailed and that work should commence on full business cases which will be reported back to committee for approval as they become available; and
 - (ii) the list of 4 reserve projects listed at paragraph 4.22 in the event that any of the projects agreed to be taken to full business case are unable to proceed.

4.0 DETAIL

- 4.1 The shortlisted projects fall into two main categories, some of the projects involve the Council's estate and generally seek to improve the public realm or public infrastructure. Others are projects which would be led by partner organisations and include new community facilities and redevelopment of derelict sites. Descriptions of the projects are contained in Appendix 1.

| Project Ref. | Project | Lead organisation |
|---------------------|--|---------------------------|
| T02 | Barmore Road (A83)/Garvel Road junction improvement | Argyll and Bute Council |
| T07 | Indoor bowling facility/sports hub | Tarbert Bowling Club |
| T10 | Pavement/public realm improvements | Argyll and Bute Council |
| T11 | Harbour facilities | Tarbert Harbour Authority |
| LA01 | Ardrishaig – Lochgilphead Cycling Link | Argyll and Bute Council |
| LA10 | Lochgilphead Front Green | Argyll and Bute Council |
| LA11 | Argyll Street | Argyll and Bute Council |
| LA13 | Ardrishaig North Public Realm Improvements | Argyll and Bute Council |
| LA16 | Ardrishaig South Public Realm Improvements (Pier Square) | Scottish Canals |
| LA17 | Gleaner Oil Site | Scottish Canals |
| LA20 | MAC Pool redevelopment | Mid Argyll Community Pool |

- 4.2 For those projects which are being led by partner organisations, we have contacted each group and asked them to provide details about their organisation and the project. We have assumed that should these projects be supported by the Tarbert

and Lochgilphead Regeneration Fund a grant would be provided, subject to checks and conditions. The conditions will be specific to the particular project but are likely to include the following:

- a detailed assessment of the Full Business Case for the project by Argyll and Bute Council will be required before the project commences;
- evidence which demonstrates that the Project has received all necessary approvals, is deliverable and fully funded;
- the grantee has obtained appropriate professional advice and is satisfied that the grant or any part of the grant will not constitute State Aid or is covered by an appropriate article; a copy of the relevant professional advice may be required;
- the grant is spent within a timescale to be agreed in accordance with the timetable for delivery of the particular project;
- Argyll and Bute Council's contribution to the project will not exceed a maximum of 50% of the cost of the whole project or any single part should the project be delivered on a phased basis; and
- the grantee shall not, without prior written consent, dispose of any asset funded, in part or in whole, within 15 years of works being undertaken.

- 4.3 In addition the Council reserves the right to request a valid and registerable Standard Security in favour of Argyll and Bute Council, if appropriate. Any organisation receiving a grant will be expected to go through a competitive tendering process to demonstrate best value. Copies of invoices will be required to confirm spend.
- 4.4 The work undertaken to deliver the proposed partner projects would continue to be led by the relevant lead organisation. The support offered to groups through the Council's existing services, e.g. through the Social Enterprise Team, would continue to be available but responsibility for delivery would fall to the lead organisation and they would be required to keep the Council up to date with progress.
- 4.5 The information provided by partner organisations has enabled us to confirm the amount of funding that they would be seeking from the Tarbert and Lochgilphead Regeneration Fund as well as details about the organisation themselves, how progressed the projects are and what work is outstanding to be completed. Each of the projects is at a different stage and this is reflected in the relevant business cases.
- 4.6 For those projects where the Council would be the lead organisation, the information available has been reviewed and where appropriate additional information sought to inform consideration of the projects. This work has largely included initial design works in order to get a clearer indication of the costs associated with implementing the proposed projects as well as the deliverability of the proposals. These projects would be taken forward by the Council in consultation with local community groups and the wider community and will be managed in line with Council procedures. Where it is appropriate to work in partnership with community based groups then this will be undertaken.
- 4.7 Whilst it was agreed at Committee in December that development costs would be available, these have been kept to a minimum at this stage so that monies from the Fund are focused on those projects which are most likely to proceed. To date

approximately £3,000 of the £250,000 has been spent on reviewing proposals, considering potential design solutions and refining cost information about the proposed projects. To date, this cost relates only to in-house works. We have worked to keep these costs low so that the bulk of the funds available can be focused on the projects selected for delivery. Costs incurred are expected to rise significantly as we progress to full business cases.

Assessment of the Shortlisted Projects

- 4.8 The information gathered has been used to complete outline business cases for each of the shortlisted projects. The outline business cases have been prepared using the information available but for some projects significant unknowns remain, these could only be resolved with detailed investigation, design work and tendering.
- 4.9 In developing the business cases, work has been undertaken to obtain more definitive costs and to understand what funding is likely to be required from the Tarbert and Lochgilphead Regeneration Fund. This process has confirmed that the £3 million allocated to the Tarbert and Lochgilphead Regeneration Fund would not fund all of the shortlisted projects, even with match funding being sought. It is estimated that a fund in the region of £6 million would be required to complete all of the shortlisted projects.
- 4.10 In order to assist with identifying which projects should go forward to full business case, the outline business cases have been scored by Strategic Finance in accordance with standard Argyll and Bute Council methodology. The overall score is then rated in accordance with the following table.

| Business Case Score | Rating |
|---------------------|----------|
| 80% -100% | 4 (Max.) |
| 70% - 79% | 3 |
| 60% - 69% | 2 |
| Less than 60% | 1 (Min.) |

Business Cases should attain a rating of 4 for them to be considered for progression. This assessment process helps to confirm which projects would meet the Council's requirements to proceed once the Full Business Case has been developed.

- 4.11 The following scoring has been received:

| Project Ref. | Project | Rating |
|--------------|--|--------|
| LA01 | Ardrishaig – Lochgilphead Cycling Link | 4 |
| LA10 | Lochgilphead Front Green | 4 |
| LA11 | Argyll Street | 4 |
| LA13 | Ardrishaig North Public Realm Improvements | 4 |
| LA16 | Ardrishaig South Public Realm Improvements (Pier Square) | 4 |
| LA17 | Gleaner Oil Site | 4 |
| LA20 | MAC Pool redevelopment | 4 |

| | | |
|-----|---|---|
| T02 | Barmore Road (A83)/Garvel Road junction improvement | 4 |
| T07 | Indoor bowling facility/sports hub | 3 |
| T10 | Pavement/public realm improvements | 4 |
| T11 | Harbour facilities | 4 |

4.12 On the basis of this scoring T07 Indoor bowling facility/sports hub could only proceed if further work was undertaken to confirm the deliverability of the project. It is expected that given time and additional work this project could be brought up to a rating of 4.

Projects to proceed to full business case

4.13 With confirmation that all projects are, or could be, suitable for deliverability and the Fund budget of £3 million it is necessary to consider how the projects can be prioritised to fit within the funding available.

4.14 Specific objectives for the Fund were set down by Policy and Resources Committee when it considered the fund in May 2016. In order to select which projects should be shortlisted to progress to outline business case the Mid Argyll, Kintyre and the Islands Area Committee agreed a scoring methodology which took into account the Council's normal scoring approach but aligned it to the criteria identified by Policy and Resources Committee. It is proposed that the impact section of this methodology (that part which most closely reflects the Policy and Resources criteria) should be used as the basis of this prioritisation.

4.15 The impact scoring for the shortlisted projects is as follows, details of the impact scoring can be found at <https://www.argyll-bute.gov.uk/tarbert-and-lochgilphead-regeneration-fund>:

| Project | Impact |
|--|--------|
| Tarbert | |
| Harbour facilities | 20 |
| Barmore Road (A83)/Garvel Road junction improvement | 13 |
| Pavement/public realm improvements | 12 |
| Indoor Bowling Facility | 10 |
| Lochgilphead | |
| Lochgilphead Front Green | 22 |
| Argyll Street | 15 |
| Ardrishaig-Lochgilphead Cycling Link | 13 |
| MAC Pool redevelopment | 13 |
| Ardrishaig | |
| Gleaner Oil Site | 23 |
| Ardrishaig North Public Realm Improvements | 16 |
| Ardrishaig South Public Realm Improvements (Pier Square) | 14 |

4.16 These scores have been revised based on the additional information received since the shortlisted projects were agreed. Further, the scores have been assessed independently by Strategic Finance to confirm that they have been assessed in a fair and constant way.

4.17 The report to Policy and Resources Committee in May 2016 clearly indicated that the Lochgilphead and Tarbert Regeneration Fund “will focus on Tarbert, Lochgilphead and Ardrishaig”. On this basis the fund should benefit all three communities and as such it is proposed that at least the top scoring project from each community should be progressed to full business case (these are also the top scoring projects as assessed).

4.18 The preference would then be for the next highest scoring projects from each community to be progressed however it would not be possible to fully fund all of these within the budget available for the Regeneration Fund. The three next highest scoring projects include 2 public realm projects and the road improvement in Tarbert. Whilst there is not expected to be scope to scale back the proposals for the road junction there may be opportunity to reduce the scope of the public realm by focusing on a smaller area. For example:

- By concentrating on the Colchester Square element of Argyll Street only and restricting works to an extension of elements on the Front Green it is expected that improvements should be able to be delivered in the region of £110,000.
- By concentrating on the shore front in Ardrishaig and reducing the scope of works it is expected that improvements could be delivered within the region of £330,000.

The public realm improvements would of course be significantly scaled back and there is a risk that this may be perceived negatively by the local communities.

4.19 The following projects are therefore proposed as the final list of projects to be taken forward through the Tarbert and Lochgilphead Regeneration Fund with the funding allocation (including development costs) as shown. Descriptions of the project proposals are included in Appendix 1.

| Project Ref. | Project | Lead organisation | Score | Request | Allocation |
|---|---|---------------------------|-------|-------------------|-------------------|
| Top scoring project from each community | | | | | |
| LA17 | Gleaner Oil Site, Ardrishaig (Phase 1)* | Scottish Canals | 23 | £250,000 | £250,000 |
| | Gleaner Oil Site, Ardrishaig (Phase 2)* | | | £250,000 | £250,000 |
| LA10 | Lochgilphead Front Green* | Argyll and Bute Council | 22 | £1,420,000 | £1,420,000 |
| T11 | Harbour facilities, Tarbert – Stages 1-4- onshore facilities | Tarbert Harbour Authority | 20 | £125,000 | £125,000 |
| | Harbour facilities, Tarbert – car parking | | | £105,000** | £105,000 |
| Second scoring project from each community | | | | | |
| LA13 | Ardrishaig North Public Realm Improvements* | Argyll and Bute Council | 16 | £395,000 | £330,000 |
| LA11 | Argyll Street, Lochgilphead* | Argyll and Bute Council | 15 | £700,000 | £110,000 |
| T02 | Barmore Road (A83)/Garvel Road junction improvement, Tarbert*** | Argyll and Bute Council | 13 | £410,000 | £410,000 |
| | | | | £3,655,000 | £3,000,000 |

* Works on these projects may assist with the delivery of the Ardrishaig-Lochgilphead Cycle Link independent of the Regeneration Fund given the complementary nature of the works and their locations

** Assuming maximum of 50% of car parking cost

** Subject to discussions with Tarbert Harbour Authority, this project could be combined with their proposals for wider redevelopment of their site which is currently constrained due to the junction arrangements

4.20 The positives of delivering these projects include:

- The highest scoring projects proceed for each community;
- The estimated total project value is expected to be approximately £5 million – these projects will therefore lever in approximately £2 million more than the value

- of the fund;
- There is a split in terms of the amount of funding in each community, with the main focus on Lochgilphead as the largest settlement;
- These projects delivers public infrastructure which could not otherwise be undertaken since funding would not be available;
- Public realm projects are also likely to impact the highest number of people since the whole community is likely to be able to benefit from the improved facilities;
- General improvements to the physical environment of the settlements will be delivered which will help to make them more attractive places in which to live, work and visit;
- Both Council and partner projects are included in the list.

4.21 It is however recognised that there are negatives associated with this proposal including:

- Restricted funding would be available for the Argyll Street and North Ardrishaig projects which will limit the benefits associated;
- There is a need to consider sufficient resources (staffing) to lead on the four Council projects.

Reserved projects

4.22 It is recognised that further investigation may identify significant issues which affect the viability of the selected projects. It is therefore proposed that the following projects are kept as reserve projects which can come forward if it is not possible to complete the projects listed in paragraph 4.19:

| Project | Lead organisation | Score |
|--|--------------------------------------|--------------|
| Pavement/public realm improvements, Tarbert | Argyll and Bute Council | 12 |
| Ardrishaig-Lochgilphead Cycling Link | Argyll and Bute Council | 13 |
| MAC Pool redevelopment, Lochgilphead | Mid Argyll Community Enterprises Ltd | 13 |
| Ardrishaig South Public Realm Improvements (Pier Square) | Scottish Canals | 14 |

4.23 These projects have been identified using the same criteria as the projects selected to proceed to full business case. If it is necessary to cease work on a particular project this will be reported to Area Committee at the earliest opportunity however work may commence on determining which reserved project should progress in the interim. No work or funding from the Regeneration Fund will be undertaken/provided by Argyll and Bute Council on these projects unless it is confirmed that the projects in 4.19 cannot proceed. Updated information will be collated on these projects, whether they have progressed and whether the costs and deliverability remain the same before determining which should proceed. Consideration will also be given to the location of the project which has not be able to proceed. The budget allocation that could be made available to any of these projects will be considered at the time.

Next steps

4.24 Once the Committee has confirmed the projects which are to proceed to full business case, the decision of the MAKI Area Committee will be reported to the Policy and Resources Committee in October.

- 4.25 For partner projects there would be an expectation that projects will be driven by the group promoting the project and that they will be responsible for obtaining consents, securing the additional funding and generally developing the proposals to full business case stage. Agreements will be put in place with regards to the specifics of the grant as detailed in paragraph 4.2.
- 4.26 For Argyll and Bute Council led projects, officers will commence work on the design and investigation work at the earliest opportunity. Appropriate consents will need to be sought and funding will need to be applied for. It is hoped that designs will be developed and any required public consultation undertaken late 2017/early 2018. A tender process will also need to be undertaken to confirm the costs of delivering the project. Full business cases would be expected to be reported to committee within approximately 12 months. Costs associated with undertaking this work will need to be drawn from the development funding approved in December 2016.
- 4.27 For Council-led projects, working groups will be established to include internal and external stakeholders which will inform the proposals and ensure that the holding department is involved in the design stage of the project. Where appropriate, community organisations will be invited to be involved in delivering elements of the proposals particularly where they may act as lead in securing external funding.
- 4.28 Developing full business cases, securing funding, co-ordinating consultants and ensuring that the project progresses within the timescale and budget estimates will also require staff resource. The proposed projects include four Council led projects and two partner-led projects. Although involvement in partner projects will be less there will still be a requirement to monitor these projects and administer the grants. The council-led projects will be more involved and without a dedicated staff resource there may be an increased risk to successfully delivering the projects. The following arrangements are proposed to move the projects to full business case stage.

| Project | Lead organisation | Lead ABC Service to FBC |
|--|---------------------------|---|
| Gleaner Oil Site | Scottish Canals | Point of contact: Economic Development – Transformation, Projects and Regeneration |
| Lochgilphead Front Green | Argyll and Bute Council | Economic Development – Transformation, Projects and Regeneration in close conjunction with Roads and Amenity Services |
| Harbour facilities | Tarbert Harbour Authority | Point of contact: Economic Development – Transformation, Projects and Regeneration |
| Ardrishaig North Public Realm Improvements | Argyll and Bute Council | Economic Development – Transformation, Projects and Regeneration in close conjunction with Roads and Amenity Services |
| Argyll Street | Argyll and Bute Council | Economic Development – |

| | | |
|---|-------------------------|--|
| | | Transformation, Projects and Regeneration in close conjunction with Roads and Amenity Services |
| Barmore Road (A83)/Garvel Road junction improvement | Argyll and Bute Council | Economic Development – Transformation, Projects and Regeneration with Roads and Amenity Services providing technical development |

At full business case, consideration will be given as to how delivery of the projects should be progressed, management arrangements to be put in place and which teams within the Council should be involved in this. Full details of delivery will be included within the full business cases.

- 4.29 As the projects are all different the development of full business cases may progress within different timescales. It is therefore proposed that full business cases will be reported back to Committee as they become available. This approach will ensure that projects are progressed as quickly as possible and within the timescales required for other funders. However, as projects would be considered independent of each other, it will also mean that there is not an opportunity to balance any changes in one project against the other projects and this could increase risks overall.

5.0 CONCLUSION

- 5.1 The Tarbert and Lochgilphead Regeneration Fund offers an important opportunity to support proposals which aim to deliver regeneration and/or economic opportunities within the Mid Argyll area. In considering the shortlisted projects and developing the outline business cases there has been a focus on maximising the overall benefit from the Fund.
- 5.2 Within the budget of the Regeneration Fund, it is not possible to support all of the shortlisted projects. A process of assessing the projects has therefore been completed and the highest scoring projects for each of the settlements is proposed for funding. It is recommended that the projects identified in paragraph 4.19 are agreed to progress to full business case with budgets as indicated. For partner organisation projects grant arrangements will be put in place. For those projects which are to be led by Argyll and Bute Council full business cases will be prepared in association with the relevant officers and any external stakeholders. Full business cases will be reported to committee as they become available.

6.0 IMPLICATIONS

- 6.1 Policy – the proposed fund will offer the opportunity to support the objective and long term outcomes of the Single Outcome Agreement/Local Outcome Improvement Plan as well as the MAKI Economic Development Action Plan, Local Development Plan and other Council policy as may be relevant to specific proposals.

- 6.2 Financial – An allocation of £3m was identified in the 2016/17 budget for regeneration and economic sustainability in the settlements of Lochgilphead and Ardrishaig and Tarbert and their surrounding areas. To date approximately £3,000 of the £250,000 identified for feasibility and design works has been spent.
- 6.3 Legal – none at this time but formal offers of grant will be required for third party projects once full business cases have been approved. Other legal issues may arise as the projects progress.
- 6.4 HR – staff within the Economic Development and Strategic Transportation Service will administer the fund on behalf of the MAKI Area Committee. Support from other teams across the Council has been given during the scoring process and will continue to be required as further investigation and project delivery proceeds.
- 6.5 Equalities – none at this time.
- 6.6 Risk - If the most appropriate projects are not correctly identified at this stage then the policy objectives may not be achieved and the impact desired from the Regeneration Fund will not be achieved. If the projects are not appropriately scoped out and resourced then this could impact on their delivery, this is particularly the case where project budgets are restricted to try to maximise the number of projects which can be delivered. If funding is allocated on an ad hoc basis then further requests could be received. The risks will be updated once the projects are confirmed.
- 6.7 Customer Service – none at this time.

Executive Director of Development and Infrastructure
Policy Lead – Councillor A Morton
25 August 2017

For further information contact: Anna Watkiss, Anna.Watkiss@argyll-bute.gov.uk, Tel. 01546 604344

Appendix 1 Summary of projects

Appendix 1 Summary of Projects

Options considered and anticipated costs are provided for the following projects:

- Ardrishaig – Lochgilphead Cycle Link (LA01)
- Lochgilphead Front Green (LA10)
- Argyll Street, Lochgilphead (LA11)
- Ardrishaig North Public Realm Improvements (LA13)
- Ardrishaig South Public Realm Improvements (LA16)
- Former Gleaner Oil Depot (LA17)
- Mid Argyll Community Pool Redevelopment (LA20)
- Improvements to Barmore Road/Garvel Road Junction, Tarbert (T02)
- Tarbert Indoor Bowling Facility (T07)
- Tarbert Public Realm (T10)
- Improvements to onshore facilities at Tarbert Harbour (T11)

Ardrishaig – Lochgilphead Cycle Link (LA01)

The following options have been considered:

- Option 1: Do nothing – under a do nothing option the existing towpath and pavement infrastructure would remain in place. This option would not deliver any improvements over the current situation, poor visibility, particularly at the Corran Roundabout, and potential conflicts between pedestrians and cyclists on narrow footways would remain. The walking/cycling link around Loch Gilp was a top priority action arising from the Crinan Canal Charrette and there could be negative consequences of doing nothing. Existing maintenance is expected to continue with ongoing revenue implications.
- Option 2: Ardrishaig to Lochgilphead Front Green ground based interventions – under this option new infrastructure would be sought between the end of the Crinan Canal towpath and Pier Square in Ardrishaig and between Oakfield Bridge on the Crinan Canal and the Colchester Square area of the Lochgilphead Front Green. New infrastructure would be focused on improved road crossings, widened existing pavements and new shared foot/cycle paths. This option would deliver improvements over option 1 as it would help to improve visibility and safety at road crossings as well as widening pavements to provide sufficient space to accommodate different users. It would improve facilities for those travelling between Ardrishaig and Colchester Square. It is expected to be more affordable than options 3 or 4 but it will not provide a dedicated route all the way to the Joint Campus and will not therefore deliver the action identified through the Crinan Canal Charrette. Maintenance is expected to reduce in the short-term due to capital expenditure but over the longer-term there will be ongoing revenue implications, these will be minimised where possible through the use of appropriate materials and plant.

- Option 3: Ardrishaig to Lochgilphead Joint Campus ground based interventions – this option would be an extension to Option 2, with the route extended from the Colchester Square area of the Front Green along Lochnell Street and Whitegates Road to the existing paths which connect to the Joint Campus and Kilmory. This additional work will focus on improved road crossings and widened existing pavements. This option would deliver improvements over option 2 as it would extend the infrastructure to key trip generators including the schools, leisure centre and local employment. Due to the narrow nature of Lochnell Street, it may impact upon parking in this area. This option is expected to be more expensive than option 2 but less than option 4. Although it will deliver the improved walking and cycling links as identified through the Crinan Canal Charrette, it will not provide the iconic waterside route which was discussed by some parties. Maintenance is expected to reduce in the short-term due to capital expenditure but over the longer-term there will be ongoing revenue implications, these will be minimised where possible through the use of appropriate materials and plant.
- Option 4: Ardrishaig to Lochgilphead Joint Campus bridge intervention – this option would provide a continuous link between Pier Square in Ardrishaig and Lochgilphead Joint Campus. New infrastructure would be focused on improved road crossings, widened existing pavements, creating new shared foot/cycle paths as well as a bridge link over the Corran roundabout and a cantilevered route from the Front Green towards the old quay on Paterson Street. This option would meet the action identified through the Crinan Canal Charrette however significant works would be required to understand the specifications required for the bridge and cantilevered sections. Initial indications are that this would be significantly more expensive than option 3, estimated approximately £1 million more than option 3. The cantilevered section may impact upon residents on Lochnell Street which back onto Loch Gilp and may require their consent. Maintenance is expected to reduce in the short-term due to capital expenditure but over the longer-term there will be ongoing revenue implications. Although these will be minimised where possible through the use of appropriate materials and plant, the implications of owning and maintaining both an additional bridge and a cantilevered walkway would be that new inspection regimes would be required and maintenance costs over the longer-term could be significantly higher than the current position.

If this project is chosen as a project to be funded through the Tarbert and Lochgilphead Regeneration Fund then it would be on the basis of option 3, with the ability to provide option 2 if delivery of the Lochnell Street section proves undeliverable or unaffordable once further investigations have been undertaken.

Option 3 has been selected as it is the most affordable option which would deliver the full link between Ardrishaig and Lochgilphead. There are however questions over its deliverability, which is why option 2, which we believe is one of the most deliverable options, is the fall-back position. It is also expected that option 3 would represent the best value for money as it will deliver the walking a cycling route with lower capital and revenue costs than option 4.

Cost/Benefits

At this stage the cost of the project has not been verified and there may be amendments if the scope of the project is changed or should unforeseen issues arise. The costs expected with this project are estimated to be in the region of £1.68 million. This is based on the following estimated costs derived from costed proposals and estimates from quantity surveyors:

- Crossing and path at Ardrishaig - £175,000
- Crossing at Corran as per Systra report - £540,000
- Replacement bridge at Corran - £240,000 (replacement upstream of road bridge could increase costs)
- Path improvements along Poltalloch Street - £260,000
- Improvements from Poltalloch Street to School - TBC Assumed £265,000 as per Poltalloch Street for the purpose of calculating funding allocation
- Cost estimated = £1,680,000 including an allocation for fees

Due to the expected funding of around 50% from Sustrans it is anticipated that the cost to the Tarbert and Lochgilphead Regeneration Fund will be in the region of £840,000.

It is acknowledged that project appraisers generally have the tendency to be over optimistic when considering projects. As a result an optimism bias, an allocation of funds similar to a contingency, has been included at this stage. As the scope and costs of a project are firmed up the amount of optimism bias will be reduced until it does not feature. At this stage, it is prudent to include an optimism bias to ensure that if costs are greater than expected there is some scope to accommodate these.

It is not expected that the project will generate any revenue for Argyll and Bute Council as a result of the expenditure however for every £1 spent from the Tarbert and Lochgilphead Regeneration Fund, £1 is expected to be levered in through grant funding.

Lochgilphead Front Green (LA10)

The following options have been considered:

- Option 1: Do nothing – under a do nothing option the infrastructure and facilities on the Front Green would be retained but no improvements would be made. This option would not address concerns about the quality of the play equipment or the impact of flooding. The Front Green was a top priority action arising from the Crinan Canal Charrette and there could be negative consequences of doing nothing. Existing maintenance is expected to continue with ongoing revenue implications, including the requirement to clean up the debris which collects on the Front Green following flooding, we understand that this can cost several thousand pounds each time dependent upon the amount of debris that has accumulated.

- Option 2: Lochgilphead Front Green Colchester Square Focus – under this option works would be focused on new surfacing, replacement play facilities, new seating and landscaping. The existing public toilet building would be retained but options could be considered for refurbishing the building and possibly extending it to include a small kiosk or similar. There may be some raising of ground levels but it is not envisaged that any flood defence works would be incorporated into this option. The works would improve the facilities available on the Front Green and would make it more usable by offering a firm surface for people to gather on. This option would deliver improvements over option 1 as it would help to improve the Front Green and make it a more attractive public space for the local community and visitors. It is expected to be more affordable than options 3, 4 or 5 but it will not provide any significant improvements in situations where the Front Green is subject to coastal flooding. Maintenance is expected to reduce in the short-term due to capital expenditure but over the longer-term there will be ongoing revenue implications, these will be minimised where possible through the use of appropriate materials and equipment.
- Option 3: Lochgilphead Front Green redevelopment – this option would be an extension to Option 2, with a walking/cycling route extending along the Green towards the current informal parking area at the Corran. Parking in this area would be formalised with additional seating provided. This option would deliver improvements over option 2 as it would extend the improvements along the full length of the Front Green and would help to make the Green more widely accessible to local residents and visitors. Improvements to the parking area at the Corran could encourage more people to stop in Lochgilphead and use the facilities available both on the Green and in the town. This option would be more expensive than option 2, expected approximately £100,000 more, but less than option 4. Although it will deliver improvements to the Front Green, which were identified through the Crinan Canal Charrette, it will not provide any additional protection in relation to flooding which was a concern for some participants and could also lead to damage to the new infrastructure. Maintenance is expected to reduce in the short-term due to capital expenditure but over the longer-term there will be ongoing revenue implications, these will be minimised where possible through the use of appropriate materials and equipment.
- Option 4: Lochgilphead Front Green redevelopment including replacement public toilet building – this option would provide a similar scheme to option 3 but with demolition of the existing toilet building and replacement with a new building, possibly to provide a toilet/café facility. The process of demolition and rebuild of a building on the same site is expected to add at least £250,000 to the project costs. If the building was relocated on another part of the Front Green then costs would be higher due to the need to remove the existing building foundations and then construct the new building foundations and secure connections to services. Maintenance is expected to reduce in the short-term due to capital expenditure but over the longer-term there will

be ongoing revenue implications, these will be minimised where possible through the use of appropriate materials and equipment.

- Option 5a: New seawall – this option would be a potential addition to options 2-4. It would provide a new sea wall along the Front Green to alleviate coastal flooding issues however it could have visual implications in terms of impacting on the view down Loch Gilp. It is expected that the construction of a sea wall would add approximately £2 million to the costs associated with the redevelopment of the Front Green. Constructing sea defences would enable revenue costs to be reduced as the costs of clearing the Front Green of debris would be removed except in more severe flooding. Over the longer-term maintenance of the seawall would be required.
- Option 5b: New rock armour sea defences - this option would be a potential addition to options 2-4. It would provide improved flood protection along the Front Green to alleviate coastal flooding issues. It is expected that the construction of rock armour would add approximately £1 million to the costs associated with the redevelopment of the Front Green. As with option 5a, revenue costs could be reduced as the costs of clearing the Front Green of debris would be removed except in more severe flooding. Over the longer-term maintenance would be required.
- Option 5c: Land raising – this option would be a potential addition to options 2-4. It would provide improved flood protection to those parts of the Front Green where new infrastructure is being focused by allowing infill to be used to raise ground levels to provide additional flood protection. It is expected that this work would cost approximately an additional £300,000. The works may result in some revenue savings since they may reduce the impact of flooding within some parts of the Front Green however they would not remove all of the clean-up costs. The works could however minimise maintenance costs for the new infrastructure on the Front Green since it would not be subject to the impacts of flooding as frequently.

If this project is chosen to be funded through the Tarbert and Lochgilphead Regeneration Fund then it would be on the basis of a combination of options 3 and 5c. It is necessary to combine one of the redevelopment options with one of the flood defence options to ensure that any works to the Front Green are protected and do not get damaged as a result of flooding.

Option 3 represents a significant improvement across the whole of the Front Green and would make the most of the infrastructure which is already available on the site; this represents a value for money option. Option 3 is expected to be deliverable with less unknowns and costs than option 4.

Whilst option 2 would be as deliverable as option 3 and would be more affordable, there would be a missed opportunity to formalise parking at the Corran end of the Front Green, where access can be gained to both Lochgilphead and the Crinan Canal.

With regards to the flood defence options, whilst the option of a flood wall (5a) would be attractive the significant costs associated with this mean that it would not be possible to

implement this solution within the budget allocated to the Tarbert and Lochgilphead Regeneration Fund, unless all of the money was directed to the Front Green which is not expected to be acceptable. There could also be issues in terms of deliverability as the condition of the current seawall would need to be assessed. Option 5b would provide a similar level of protection to 5a and whilst the cost would be lower it is still significant. There are also concerns that option 5b could become unsightly if marine litter becomes trapped within the rock armour. Option 5c would ensure that new infrastructure is protected from flooding in the most affordable way. This option is expected to be deliverable and could also reduce the issues with waterlogging if appropriate drainage was incorporated into the land raising efforts.

Cost/Benefits

At this stage the cost of the project has not been verified and there may be amendments if the scope of the project is changed or should unforeseen issues arise. The costs expected with this project are estimated to be in the region of £1.58 based on the following estimated costs from a quantity surveyor:

- Works to Front Green – approximately £1.15 million
- Land raising – approximately £430,000

We have assumed that up to 10% of the project cost could come from funding such as Sustrans and therefore it is anticipated that the cost to the Tarbert and Lochgilphead Regeneration Fund will be in the region of £1.42 million.

It is acknowledged that project appraisers generally have the tendency to be over optimistic when considering projects. As a result an optimism bias, an allocation of funds similar to a contingency, has been included at this stage. As the scope and costs of a project are firmed up the amount of optimism bias will be reduced until it does not feature. At this stage, it is prudent to include an optimism bias to ensure that if costs are greater than expected there is some scope to accommodate these.

It may be possible that the project will generate some revenue for Argyll and Bute Council if opportunities are taken to introduce commercial activities onto the Front Green. It is also expected that as a result of the expenditure for every £1 spent from the Tarbert and Lochgilphead Regeneration Fund a further £0.11 is expected to be levered in through grant funding.

Argyll Street, Lochgilphead (LA11)

The following options have been considered:

- Option 1: Do nothing – under a do nothing option the existing pavements and road surfaces would remain in place. This option would not deliver any improvements over the current situation. Improvements to Argyll Street were identified as a top priority action arising from the Crinan Canal Charrette and there could be negative consequences of doing nothing. Existing maintenance is expected to continue with ongoing revenue implications.

- Option 2: Pavement improvements – under this option the pavements would be resurfaced in the area of Argyll Street stretching from Colchester Square to the junction with Lorne Street/Union Street. Increased pavement areas would be provided to facilitate pedestrians crossing at strategic points along Argyll Street (2 lane flow of traffic to be maintained) together with additional seating and planting. A small number of parking spaces may be removed. This option would deliver improvements over option 1 as it would help to improve the appearance of the public realm along this part of Argyll Street. It is expected to be more affordable than option 3 but it will not provide as significant a change in the streetscape. Maintenance is expected to reduce in the short-term due to capital expenditure but over the longer-term there will be ongoing revenue implications, these will be minimised where possible through the use of appropriate materials and plant.
- Option 3: Shared surfaces – this option would provide improvements to the same area as option 2 but would include additional public realm inclusions including more seating and planting (single lane traffic calming may be utilised) and shared surfaces. This additional work will further improve the public realm but may cause potential conflicts as a result of loss of on street parking spaces and potential impacts on access for emergency vehicles to the Mid Argyll Hospital. Shared surfaces are not expected to be acceptable on the A83 Trunk Road. This option is expected to be more expensive than option 2, approximately £500,000 more, however it will deliver the full public realm improvements discussed during the Crinan Canal Charrette. Maintenance is expected to reduce in the short-term due to capital expenditure but over the longer-term there will be ongoing revenue implications, these will be minimised where possible through the use of appropriate materials and plant.

If this project is chosen to be funded through the Tarbert and Lochgilphead Regeneration Fund then it would be on the basis of option 2. Argyll Street is a relatively narrow street which is required to fulfil a number of functions including providing emergency access to the Mid Argyll Hospital. Whilst option 3 would deliver significant improvements to the streetscape, there are concerns about deliverability due to significant changes required to the road and pavements, including the probable need to remove the majority of parking spaces between Colchester Square and Union Street. Option 2 would still represent a significant improvement to the lower part of Argyll Street but would be more deliverable as well as being a more affordable option.

Cost/Benefits

At this stage the cost of the project has not been verified and there may be amendments if the scope of the project is changed or should unforeseen issues arise. The costs expected with this project are estimated to be in the region of £775,000 based on the estimated costs provided by quantity surveyors but reduced by 50% as a result of the expectation that to be delivered the proposals will have to be scaled back. This cost estimate includes an allocation for fees. We have assumed that up to 10% of the project cost could come from Sustrans and it is therefore anticipated that the cost to the Tarbert and Lochgilphead Regeneration Fund will be in the region of £700,000.

It is acknowledged that project appraisers generally have the tendency to be over optimistic when considering projects. As a result an optimism bias, an allocation of funds similar to a contingency, has been included at this stage. As the scope and costs of a project are firmed up the amount of optimism bias will be reduced until it does not feature. At this stage, it is prudent to include an optimism bias to ensure that if costs are greater than expected there is some scope to accommodate these.

It is not expected that the project will generate any revenue for Argyll and Bute Council as a result of the expenditure however for every £1 spent from the Tarbert and Lochgilphead Regeneration Fund, £0.11 is expected to be levered in through grant funding.

Ardrishaig North Public Realm Improvements (LA13)

The following options have been considered:

- Option 1: Do nothing – under a do nothing option the existing pavement, parking and landscaping would remain in place. This option would not deliver any improvements over the current situation including the limited connection with the shore. Existing maintenance is expected to continue with ongoing revenue implications.
- Option 2: Enhancing existing facilities – under this option enhancements would be focused on area between the North/Public Halls and the Boat Yard. Improvements would be sought to the landscaped garden and shoreline area as well as around the undercroft of the shops and offices facing Chalmers Street. Measures to improve pedestrian safety would be sought across the A83. Existing pavements would remain as would the car parking areas. Consideration could be given to relocating the existing play equipment onto the shore. This option would deliver improvements over option 1 as it would help to improve the visual appearance of the area and could be designed in such a way as to maximise the shore side location of this site and highlight the existing access to the shore. It is expected to be more affordable than option 3 but it will not provide the wider scale resurfacing proposed under option 3. Maintenance is expected to reduce in the short-term due to capital expenditure but over the longer-term there will be ongoing revenue implications, these will be minimised where possible through the use of appropriate materials and plant.
- Option 3: Enhancing existing facilities and resurfacing – this option would cover the same area as option 2 but would focus on surface improvements including traffic calming/shared surfacing between the North and Public Halls and resurfacing of the car park. It includes screening to the rear of the shops in addition to the improvements provided under option 2. This option would deliver improvements over option 2 as it would provide additional infrastructure improvements. There may be issues associated with any proposals for shared surfaces on the A83 Truck Road so proposals may need to be scaled back in this regard. This option is expected to be more expensive than option 2, approximately £550,000 more. Maintenance is expected to reduce in the short-term due to capital expenditure but over the longer-

term there will be ongoing revenue implications, these will be minimised where possible through the use of appropriate materials and plant.

If this project is chosen to be funded through the Tarbert and Lochgilphead Regeneration Fund then it would be on the basis of option 2. Option 2 offers the opportunity to make improvements to the public realm and to open up the seafront in Ardrishaig but without the significant extra costs expected to be associated with the resurfacing proposed under option 3, it therefore represents better value for money. Option 2 is believed to be more deliverable than option 3 since it is expected that there could be concerns raised about shared surfaces on the trunk road network.

Cost/Benefits

At this stage the cost of the project has not been verified and there may be amendments if the scope of the project is changed or should unforeseen issues arise. The costs expected with this project are estimated to be in the region of £440,000 based on the estimated costs provided by a quantity surveyor. It is assumed that up to 10% of the project costs could be secured from external funders such as Sustrans. It is therefore anticipated that the cost to the Tarbert and Lochgilphead Regeneration Fund will be in the region of £395,000.

It is acknowledged that project appraisers generally have the tendency to be over optimistic when considering projects. As a result an optimism bias, an allocation of funds similar to a contingency, has been included at this stage. As the scope and costs of a project are firmed up the amount of optimism bias will be reduced until it does not feature. At this stage, it is prudent to include an optimism bias to ensure that if costs are greater than expected there is some scope to accommodate these.

It is not expected that the project will generate any revenue for Argyll and Bute Council as a result of the expenditure however for every £1 spent from the Tarbert and Lochgilphead Regeneration Fund, £0.11 is expected to be levered in through grant funding.

Ardrishaig South Public Realm Improvements (LA16)

The following options have been considered:

- Option 1: Do nothing – under a do nothing option the existing pavements, parking areas and landscaping would remain in place. This option would not deliver any improvements over the current situation. Existing maintenance is expected to continue with ongoing revenue implications however for Pier Square and the area surrounding the Canal Basin this responsibility falls to Scottish Canals since this area is within their ownership.
- Option 2: Pier Square – under this option new infrastructure would be focused on the area around Pier Square with resurfacing of the Square and improved pedestrian crossing facilities across the A83 towards the Stances and Bridge House. This option would deliver improvements over option 1 as it would help to improve the visual appearance of the area and could improve pedestrian safety. It is expected to be more affordable than option 3 but would not deliver as comprehensive improvements

as option 3. The project is not expected to impact maintenance budgets within the Council.

- Option 3: Pier Square including Pier Garage – this option would be an extension to Option 2 and would include the removal of the Pier Garage building (with a replacement to be located on other land within Scottish Canals' ownership). This option would deliver improvements over option 2 as it would allow the land currently utilised by the garage to be incorporated into the wider public realm works. This option is expected to be more expensive than option 2, approximately £300,000 of additional costs. The project is not expected to impact maintenance budgets within the Council.

If this project is chosen to be funded through the Tarbert and Lochgilphead Regeneration Fund then it would be on the basis of option 2. Option 2 would help to deliver improvements around Pier Square and whilst there would be additional benefits associated with relocating the garage, the additional expenditure would not result in significant additional benefits due to the location of the garage outside of Pier Square. Option 2 represents a more affordable option and is also the more deliverable since it does not involve alterations to the leases etc. which would be associated with option 3.

Cost/Benefits

At this stage the cost of the project has not been verified and there may be amendments if the scope of the project is changed or should unforeseen issues arise. The costs expected with this project are estimated to be in the region of £1.15 million based on the following estimated costs provided by quantity surveyors involved in the charrette:

- Resurfacing Pier Square, new lighting and seating – approximately £1.15 million.

It is acknowledged that project appraisers generally have the tendency to be over optimistic when considering projects. As a result an optimism bias, an allocation of funds similar to a contingency, has been included at this stage. As the scope and costs of a project are firmed up the amount of optimism bias will be reduced until it does not feature. At this stage, it is prudent to include an optimism bias to ensure that if costs are greater than expected there is some scope to accommodate these.

As this is a public realm project, it has been assumed that around 10% of the project costs could be secured from external funders such as Sustrans.

For other projects which are within third party ownership, we have dealt with requests for funding as grant requests however we have not received a request for funding for this project. We would therefore seek a contribution from Scottish Canals as the owner of the main part of the site. As a project benefiting a third party organisation, funding support would be provided with the following conditions:

- a detailed assessment of the Full Business Case for the project by Argyll and Bute Council will be required before the project commences;
- evidence which demonstrates that the Project has received all necessary approvals, is deliverable and fully funded;

- the Grantee has obtained appropriate professional advice and is satisfied that the Grant or any part of the grant will not constitute State Aid; a copy of the relevant professional advice may be required;
- the grant is spent within a timescale to be agreed in accordance with the timetable for delivery of the project;
- Argyll and Bute Council's contribution to the project will not exceed a maximum of 50% of the project costs;
- Argyll and Bute Council's contribution to the project will not exceed the investment made by Scottish Canals to the project costs; and
- the Grantee shall not, without prior written consent, dispose of any asset funded, in part or in whole, within 15 years of works being undertaken.

In addition the Council reserves the right to request a valid and registerable Standard Security in favour of Argyll and Bute Council if appropriate. Any organisation receiving a grant will be expected to go through a competitive tendering process to demonstrate best value. Copies of invoices will be required to confirm spend.

Due to the potential other sources of funding, including unconfirmed owner contributions, it is anticipated that the cost to the Tarbert and Tarbert and Lochgilphead Regeneration Fund will be in the region of £575,000.

It is not expected that the project will generate any revenue for Argyll and Bute Council as a result of the expenditure however for every £1 spent from the Tarbert and Lochgilphead Regeneration Fund, £1 is expected to be levered in through grant/other funding.

Former Gleaner Oil Depot (LA17)

The following options have been considered:

- Option 1: Do nothing – under a do nothing option the derelict site would remain and would continue to blight the surrounding area. Opportunities to open up the waterfront area would be missed and degraded, former industrial land would continue to be the dominating factor in this part of Ardrishaig. The redevelopment of the former Gleaner Site was a top priority action arising from the Crinan Canal Charrette and there could be negative consequences of doing nothing. This site is not maintained by Argyll and Bute Council.
- Option 2: Phase 1 only – under this option works would be focused on the refurbishment of the shore side Egg Shed building, a newly built extension, the former garage and land immediately surrounding these buildings. Access into the site would be from Pier Square and the wider site would remain in its current state. The buildings would be available for a range of business uses including food and drink, crafts or artist workshops. This option would deliver improvements over option 1 as it would help to kick start the redevelopment of this derelict site as well as providing additional business units which it is hoped will increase economic activity in the area and, depending on the uses, could also be of interest to visitors. With up to £250,000

requested by Scottish Canals for this phase, this option would be more affordable than options 3 or 4 but it will only focus on a small part of the site and will not therefore deliver the action identified through the Crinan Canal Charrette. The project is not expected to impact maintenance budgets within the Council. This is the minimum option required to secure the Regeneration Capital Grant Fund allocation made for this site.

- Option 3: Phase 1 and minimal contribution to Phase 2 – this option would be an extension to Option 2 but would allow for a £250,000 contribution towards the costs of redeveloping the wider site as well as the contribution to Phase 1. The contribution requested for phase 1 was £250,000 and an equivalent contribution for phase 2 is proposed. Potential uses for the phase 2 part of the site have not been confirmed but could include a mix of housing and business space. It is not expected that redevelopment of the site can be undertaken on a commercial basis and as a result public funding will be required. This option would deliver improvements over option 2 as it would help to facilitate the redevelopment of the wider part of the site, it is expected that the redevelopment of this part of the site would be significantly more than the contribution suggested. This option is will be more expensive than option 2 but less than option 4. It will help to deliver the redevelopment of the wider Gleaner site and will therefore contribute to delivering the action from the Crinan Canal Charrette. The project is not expected to impact maintenance budgets within the Council.
- Option 4: Phase 1 and significant contribution to Phase 2 – this option would be an extension to Option 2 but would allow for a £500,000 contribution towards the costs of redeveloping the wider site as well as the contribution to Phase 1. This option would further assist the delivery of the redevelopment by securing additional funding; it will therefore contribute to a greater extent to delivering the action identified through the Crinan Canal Charrette. This will be more expensive than option 3 but is still expected to be significantly less than the full costs of redeveloping the site. The project is not expected to impact maintenance budgets within the Council.

If this project is chosen to be funded through the Tarbert and Lochgilphead Regeneration Fund then it would be on the basis of option 3, with the ability to scale back to option 2 if the Phase 2 proposals are not deemed acceptable or do not progress sufficiently quickly (timescales to be determined). Option 3 would help to deliver the redevelopment of the whole of the former Gleaner depot and therefore represents a significant improvement across the whole site with knock on benefits for Ardrishaig in general; it would however be a more affordable route than option 4. Whilst option 2 is a positive step forward for the site, it does not support the redevelopment of the whole site and it is therefore only options 3 and 4 which can help to secure the removal of this derelict site which is currently a blight on the local area. Option 2 is expected to be deliverable however there are more questions about the deliverability of options 3 and 4 since detailed proposals have not yet been confirmed. Option 2 is based on the amount of funding requested by Scottish Canals, whilst a lesser amount could be allocated to the project this may impact the deliverability of the whole project since more grant funding would be required from

other sources.

Cost/Benefits

At this stage the cost of the project has not been verified and there may be amendments if the scope of the project is changed or should unforeseen issues arise. The costs expected with this project are estimated to be in the region of £1.4m for Phase 1 (based on a quantity surveyors estimate provided by Scottish Canals) and Phase 2 is yet to be confirmed.

As this is a third party project which would be led by Scottish Canals the cost to the Tarbert and Tarbert and Lochgilphead Regeneration Fund is based on the ask from Scottish Canals. They have requested £250,000 for Phase 1. The contribution request for Phase 2 has not been confirmed but based on the selected option would be for a maximum of £250,000. The total amount utilised from the will be up to £500,000.

As a third party organisation, funding support for either option 2 or option 3 would be provided with the following conditions:

- a detailed assessment of the Full Business Case for the project by Argyll and Bute Council will be required before the relevant phase commences;
- evidence which demonstrates that the Project has received all necessary approvals, is deliverable and fully funded;
- the Grantee has obtained appropriate professional advice and is satisfied that the Grant or any part of the grant will not constitute State Aid; a copy of the relevant professional advice may be required;
- the grant is spent within a timescale to be agreed in accordance with the timetable for delivery of the project;
- Argyll and Bute Council's contribution to the project will not exceed a maximum of 50% of any element of the project costs;
- Argyll and Bute Council's contribution to the project will not exceed the investment made by Scottish Canals to the project costs; and
- the Grantee shall not, without prior written consent, dispose of any asset funded, in part or in whole, within 15 years of works being undertaken.

In addition the Council reserves the right to request a valid and registerable Standard Security in favour of Argyll and Bute Council if appropriate. Any organisation receiving a grant will be expected to go through a competitive tendering process to demonstrate best value. Copies of invoices will be required to confirm spend.

The proposal may generate some additional business rate revenue for Argyll and Bute Council. In addition, for every £1 spent from the Tarbert and Lochgilphead Regeneration Fund a further £4.60 is expected to be levered in through grant funding and owner contribution.

Mid Argyll Community Pool Redevelopment (LA20)

The following options have been considered:

- Option 1: Do nothing – under a do nothing option the Mid Argyll Community Pool would be left to progress their redevelopment proposals without any financial assistance from the Council. This option may make it more difficult for the organisation to attract the full funding required for the redevelopment project or may delay the redevelopment if alternative sources of funding take a longer time to secure. This option would not stop the organisation proceeding with their proposals. This site is not maintained by Argyll and Bute Council.
- Option 2: Contribute £250,000 to the MAC Pool Redevelopment – under this option Argyll and Bute Council would make the requested contribution towards the redevelopment project. Subject to the other funding being secured, this option would deliver redevelopment of the MAC Pool including upgrade and extension of existing facilities to provide new reception and staff facilities, improved storage and extended showering and changing village, viewing gallery and café, multipurpose studio space and soft play facilities. It is hoped that improved and additional facilities will help MAC Pool to continue to attract users and offer indoor activities for visitors to the area. The project is not expected to impact maintenance budgets within the Council.

If this project is chosen to be funded through the Tarbert and Lochgilphead Regeneration Fund then it would be on the basis of option 2. Option 2 is based on the amount requested by MAC Pool, whilst a lesser amount could be allocated to the project this may impact the deliverability of the whole project since more grant funding would be required from other sources. Funding support for option 2 would be dependent upon Argyll and Bute Council approving a Full Business Case from MAC Pool and a fully funded project proposal being in place.

Cost/Benefits

At this stage the cost of the project has not been verified and there may be amendments if the scope of the project is changed or should unforeseen issues arise. The costs expected with this project are estimated to be in the region of £1.2 million (costs provided by MAC Pool). Indications from MAC Pool are that they are seeking a contribution of £250,000 from the Tarbert and Lochgilphead Regeneration Fund.

As a third party organisation it is expected that any grant would be provided with the following conditions:

- a detailed assessment of the Full Business Case for the project by Argyll and Bute Council will be required before the project commences;
- evidence which demonstrates that the Project has received all necessary approvals, is deliverable and fully funded;
- the Grantee has obtained appropriate professional advice and is satisfied that the Grant or any part of the grant will not constitute State Aid; a copy of the relevant professional advice may be required;

- the grant is spent within a timescale to be agreed in accordance with the timetable for delivery of the project;
- Argyll and Bute Council's contribution to the project will not exceed a maximum of 50% of the cost; and
- the Grantee shall not, without prior written consent, dispose of any asset funded, in part or in whole, within 15 years of works being undertaken.

In addition the Council reserves the right to request a valid and registerable Standard Security in favour of Argyll and Bute Council if appropriate. Any organisation receiving a grant will be expected to go through a competitive tendering process to demonstrate best value. Copies of invoices will be required to confirm spend.

It is not expected that the project will generate any revenue for Argyll and Bute Council as a result of the expenditure however for every £1 spent from the Tarbert and Lochgilphead Regeneration Fund, £3.80 is expected to be levered in through grant funding.

Improvements to Barmore Road/Garvel Road Junction, Tarbert (T02)

The following options have been considered:

- Option 1: Do nothing – under a do nothing option the existing junction arrangements would remain in place. This option would not deliver any improvements over the current situation and the restrictions on additional development along Garvel Road would remain, it is understood that this will mainly impact Tarbert Harbour Authority since they have potential development plan in the vicinity. Existing maintenance is expected to continue with ongoing revenue implications.
- Option 2: Improved junction – under this option a realigned junction would be provided where Garvel Road joins the A83 Barmore Road. It is expected that this will require building up the ground to the south of Barmore Road to enable the appropriate radius curves and visibility splays to be accommodated. This option would deliver an improvement over option 1 as it would help to improve visibility and safety at the junction and would in turn enable further development to be accommodated along Barmore Road. Maintenance is expected to reduce in the short-term due to capital expenditure but over the longer-term there will be ongoing revenue implications which could be increased with a widened carriage way, embankment and additional pavement areas.

If this project is chosen to be funded through the Tarbert and Lochgilphead Regeneration Fund then it would be on the basis of option 2 since this option would make the improvements required to deliver the junction alignment. There are still questions over the deliverability of option 2 as it would require land owned by third parties, although the Tarbert Harbour Authority have indicated that they would be willing to contribute land. There are also concerns about affordability since additional work is required to confirm issues such as utilities. Option 2 would seek to make the improvements required to enable further development along Garvel Road in the most cost effective way.

Cost/Benefits

At this stage the cost of the project has not been verified and there may be amendments if the scope of the project is changed or should unforeseen issues arise. The costs expected with this project are estimated to be in the region of £410,000 based on the following estimated costs provided by the Council's Roads and Amenity Services:

- The physical works to the junction are expected to cost in the region of approximately £360,000.
- A further £50,000 is allocated to allow for investigative work and fees.

It is not expected that there will be any third party contributions to this project, although a request will be made to Transport Scotland. It is anticipated that the cost to the Tarbert and Lochgilphead Regeneration Fund will therefore be in the region of £410,000.

It is acknowledged that project appraisers generally have the tendency to be over optimistic when considering projects. As a result an optimism bias, an allocation of funds similar to a contingency, has been included at this stage. As the scope and costs of a project are firmed up the amount of optimism bias will be reduced until it does not feature. At this stage, it is prudent to include an optimism bias to ensure that if costs are greater than expected there is some scope to accommodate these.

It is not expected that the project will generate any revenue for Argyll and Bute Council, although if additional development comes forward then there may be additional business rate revenue.

Tarbert Indoor Bowling Facility (T07)

The following options have been considered:

- Option 1: Do nothing – under a do nothing option the Tarbert Bowling Club would be left to progress their proposals for an indoor bowling facility without any financial assistance from the Council. This option may make it more difficult for the organisation to attract the full funding required for the redevelopment project or may delay the redevelopment if alternative sources of funding take a longer time to secure. This option would not stop the organisation proceeding with their proposals. This site is not maintained by Argyll and Bute Council.
- Option 2: Contribute £420,000 to the Tarbert Bowling Club proposed indoor bowling facility – under this option Argyll and Bute Council would make the requested contribution towards the project. It is understood that approximately £20,000 would be required for initial feasibility and design works. Subject to the outcome of these studies and other funding being secured, this option would deliver a four rink indoor bowling facility associated with the existing bowling club and on the land currently occupied by disused tennis courts. It is hoped that additional facilities will help it to attract visiting bowlers of which there are approximately 500 within the west Argyll area. The project is not expected to impact maintenance budgets within the Council.

If this project is chosen to be funded through the Tarbert and Lochgilphead Regeneration Fund then it would be on the basis of option 2. Option 2 is based on the amount

requested by Tarbert Bowling Club, whilst a lesser amount could be allocated to the project this may impact the deliverability of the whole project since more grant funding would be required from other sources. Other than the initial up to £20,000 to undertake feasibility and design works, funding support for option 2 would be dependent upon Argyll and Bute Council approving a Full Business Case from Tarbert Bowling Club and a fully funded project proposal being in place.

As a third party organisation it is expected that a grant would be provided with the following conditions:

- a detailed assessment of the Full Business Case for the project by Argyll and Bute Council will be required before the project commences – this should include a 5 year operating plan to demonstrate the sustainability of the new facility;
- evidence which demonstrates that the Project has received all necessary approvals, is deliverable and fully funded;
- the Grantee has obtained appropriate professional advice and is satisfied that the Grant or any part of the grant will not constitute State Aid; a copy of the relevant professional advice may be required;
- the grant is spent within a timescale to be agreed in accordance with the timetable for delivery of the project;
- details of the organisations governance structure including their constitution to ensure that they are appropriately set up to handle grants and complete the project (changes may be required);
- Argyll and Bute Council's contribution to the project will not exceed a maximum of 50% of the cost; and
- the Grantee shall not, without prior written consent, dispose of any asset funded, in part or in whole, within 15 years of works being undertaken.

In addition the Council reserves the right to request a valid and registerable Standard Security in favour of Argyll and Bute Council if appropriate. Any organisation receiving a grant will be expected to go through a competitive tendering process to demonstrate best value. Copies of invoices will be required to confirm spend.

Cost/Benefits

At this stage the cost of the project has not been verified and there may be amendments if the scope of the project is changed or should unforeseen issues arise. The costs expected with this project are estimated to be in the region of £1.57 million based on the following estimated costs from Tarbert Bowling Club:

- Construction £1,400,000.00
- Design team, legal accountancy and local authorities fees £140,000.00
- Furnishing, equipment promotion £30,000.00

Indications from Tarbert Bowling Club are that they are seeking a contribution of £420,000 from the Tarbert and Tarbert and Lochgilphead Regeneration Fund.

It is not expected that the project will generate any revenue for Argyll and Bute Council as a result of the expenditure however for every £1 spent from the Tarbert and Lochgilphead Regeneration Fund, £2.74 is expected to be levered in through grant funding.

Tarbert Public Realm (T10)

The following options have been considered:

- Option 1: Do nothing – under a do nothing option the existing pavement infrastructure would remain in place. This option would not deliver any improvements over the current situation including some poor crossing points for pedestrians traveling along Harbour Street. Existing maintenance is expected to continue with ongoing revenue implications.
- Option 2: Resurfacing and safety improvements – under this option works would focus on Harbour Street between the junction of Harbour Street with the A83 and the end of the pavement where the steps lead up to Tarbert Castle. It would not focus on the shore side parking and walkway along the northern side of Harbour Street, which is outwith Council ownership. This option would aim to resurface the existing pavement areas together with improvements to pedestrian crossing points. This option would deliver improvements over option 1 as it would help to improve the existing pavement surface and could improve safety at the road crossings. It is expected to be more affordable than option 3 but will not deliver any additional pavement areas. Maintenance requirements are expected to reduce in the short-term due to capital expenditure but over the longer-term there will be ongoing revenue implications, these will be minimised where possible through the use of appropriate materials.
- Option 3: Encouraging the café culture – this option would be an extension to Option 2, with the addition of extended paving areas at selected points to enable outdoor seating associated with eating establishments along Harbour Street. This option would deliver additional pavement space over option 2 however it would also result in the loss of some parking spaces. Loss of parking has been raised as a concern by some members of the local community who are seeking the provision of additional car parking in the village; these concerns have been echoed by our colleagues in Roads and Amenity Services. This raises concerns about the deliverability of this option. This option is expected to be more expensive than option 2. Maintenance is expected to reduce in the short-term due to capital expenditure but over the longer-term there will be ongoing revenue implications and these could be increased due to the expected need for drainage associated with extending the paving to require additional cleaning.

If this project is chosen to be funded through the Tarbert and Lochgilphead Regeneration Fund then it would be on the basis of option 2. Option 2 would represent an improvement over the current position and would be a more deliverable option to seek to progress since early indications are that issues such as loss of parking could be a significant concern to the local community. Option 2 would also be more affordable than option 3,

although the benefits would also be lessened.

Cost/Benefits

At this stage the cost of the project has not been verified and there may be amendments if the scope of the project is changed or should unforeseen issues arise. The costs expected with this project are estimated to be in the region of £650,000 based on the following estimated costs provided by the Council's Road and Amenity Services:

- Pavement improvements – approximately £480,000
- Allowance for alteration to utilities – approximately £90,000
- Other costs and fees – approximately £80,000

It is hoped that up to 10% of costs can be secured from grant funding such as Sustrans, although this is yet to be confirmed. Due to the potential funding it is anticipated that the cost to the Tarbert and Lochgilphead Regeneration Fund will be in the region of £590,000.

It is acknowledged that project appraisers generally have the tendency to be over optimistic when considering projects. As a result an optimism bias, an allocation of funds similar to a contingency, has been included at this stage. As the scope and costs of a project are firmed up the amount of optimism bias will be reduced until it does not feature. At this stage, it is prudent to include an optimism bias to ensure that if costs are greater than expected there is some scope to accommodate these.

If additional café seating is provided then there could be the opportunity for some additional income through street café licensing process. In addition, for every £1 spent from the Tarbert and Lochgilphead Regeneration Fund, £0.11 is expected to be levered in through grant funding.

Improvements to onshore facilities at Tarbert Harbour (T11)

The following options have been considered:

- Option 1: Do nothing – under a do nothing option the Tarbert Harbour Authority would be left to progress their proposals for redeveloped facilities without any financial assistance from the Council. This option may make it more difficult for the organisation to attract the full funding required for the project or may delay the redevelopment if alternative sources of funding take a longer time to secure. This option would not stop the organisation proceeding with their proposals. This site is not maintained by Argyll and Bute Council.
- Option 2: Contribute £230,000 to the Tarbert Harbour Authority improvement plans – under this option Argyll and Bute Council would make the requested contribution towards the project Stage 1-4 project and 50% of the car parking costs. Subject to other funding being secured, this option would deliver new offices, toilet facilities, waste and marine services to enhance facilities for users of Tarbert Harbour and also provide additional car parking on site. These proposals are split into different stages with the toilets and shower facilities comprising the initial focus. It is hoped that

improved facilities within the harbour will help it to continue to attract users including visiting boats and as a result would lead to increased economic activity in the local area. The project is not expected to impact maintenance budgets within the Council.

If this project is chosen to be funded through the Tarbert and Lochgilphead Regeneration Fund then it would be on the basis of option 2. Option 2 is based on the amount requested by Tarbert Harbour Authority, whilst a lesser amount could be allocated to the project this may impact the deliverability of the whole project since more grant funding would be required from other sources.

As a third party organisation it is expected that a grant would be provided with the following conditions:

- a detailed assessment of the Full Business Case for the project by Argyll and Bute Council will be required before the project commences;
- evidence which demonstrates that the Project has received all necessary approvals, is deliverable and fully funded;
- the Grantee has obtained appropriate professional advice and is satisfied that the Grant or any part of the grant will not constitute State Aid; a copy of the relevant professional advice may be required;
- the grant is spent within a timescale to be agreed in accordance with the timetable for delivery of the project;
- Argyll and Bute Council's contribution to the project will not exceed a maximum of 50% of the cost; and
- the Grantee shall not, without prior written consent, dispose of any asset funded, in part or in whole, within 15 years of works being undertaken.

In addition the Council reserves the right to request a valid and registerable Standard Security in favour of Argyll and Bute Council if appropriate. Any organisation receiving a grant will be expected to go through a competitive tendering process to demonstrate best value. Copies of invoices will be required to confirm spend.

Option 2 is expected to be deliverable although there remains a query over the proposal for additional car parking and whether this would be dependent upon the improvement of the Barmore Road and Garvel Road junction. With this in mind, this element of option 2 funding would only be released once all consents are in place and the project is fully funded.

Cost/Benefits

At this stage the cost of the project has not been verified and there may be amendments if the scope of the project is changed or should unforeseen issues arise. The costs expected with this project are estimated to be in the region of £900,000 based on the following estimated costs from Tarbert Harbour Authority:

- Stage 1 - New Toilet/Shower Facility - £520,820
- Stage 2 - Chandlery/Harbour Offices – £90,000
- Stage 3 - New Waste Disposal Area – £35,000
- Stage 4 - Jakes Quay Fuelling Facility - £45,000
- Additional Car Parking - £210,000 (Estimated)

Indications from Tarbert Harbour Association are that they are seeking a contribution of £125,000 for stages 1-4 as well as a contribution towards the car park (we have assumed a maximum of 50%) there for a total of £230,000 would be required from the Tarbert and Lochgilphead Regeneration Fund.

It is not expected that the project will generate any revenue for Argyll and Bute Council as a result of the expenditure however for every £1 spent from the Tarbert and Lochgilphead Regeneration Fund, £2.92 is expected to be levered in through grant funding.