ARGYLL AND BUTE COUNCIL

POLICY & RESOURCES COMMITTEE

DEVELOPMENT & INFRASTRUCTURE SERVICES

19 OCTOBER 2017

TRANSFORMATION PROJECTS & REGENERATION TEAM – LARGE SCALE PROJECT UPDATE REPORT

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update the Policy & Resources Committee on progress in delivering the larger scale project work of the Transformation Project and Regeneration Team with a focus on those projects that are mainly externally funded. The attached Highlight Report (Appendix A) outlines the current position of the projects as at August 2017.
- 1.2 The paper also reports on key issues that will impact on the successful delivery of the projects.
- 1.3 It is recommended that the Policy and Resources Committee:-
 - 1. Consider the current progress contained within the report; and
 - 2. Agree that future update reports are submitted to the Environment, Development and Infrastructure Committee, subject to the retention of any delegations provided for within the remit of the Policy and Resources Committee.

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2. INTRODUCTION

- 2.1 This progress report sets out the current position of the larger scale projects that are mainly externally funded and are being delivered by the Transformation Projects and Regeneration team. As well as being responsible for the development and delivery of a number of large scale externally funded projects with a strong economic regeneration, community and heritage focus, the remit of the team also covers other key areas of work. These include:-
 - development and delivery of smaller scale projects including the management of smaller external funding grants such as Stalled Spaces,
 - development and delivery of a number of charrettes working in partnership with the community and key partners leading to the development of actions plans,
 - development of the economic opportunities for Argyll and Bute across the Film and Renewables sector,
 - support to third sector organisation involved in the delivery of their own individual projects.
- 2.2 In addition the team is responsible for overseeing the management and monitoring of payment of council match funding grants to specific community and third sector organisation to assist in the delivery of projects such as Campbeltown Cinema, Kilmartin Museum and NVA St Peters Seminary. In addition managing and monitoring the, recently approved RCGF grants (2017/18) for the Tobermory Light Industrial Site, Ardrishaig Gleaner Phase 1 site and North Pier Pontoons. Arrangements are currently being put in place for the management of these grants and an update report will be included in the next report to Policy and Resources.
- 2.3 The attached Highlight Report (Appendix A) outlines the current position of each of the larger scale externally funded projects.
- 2.4 The paper also reports on key issues that will impact on the successful delivery of these projects.

3. **RECOMMENDATIONS**

- 3.1 It is recommended that the Policy and Resources Committee:-
 - 1. Consider the current progress contained within the report; and
 - 2. Agree that future update reports are submitted to the Environment, Development and Infrastructure Committee, subject to the retention of any delegations provided for within the remit of the Policy and Resources Committee.

4. DETAILS

- 4.1 **Progress** Progress in relation to the projects is as follows.
 - 4.1.1 Campbeltown Conservation Area Regeneration Scheme (CARS) Following a successful bid to CARS Round 6, the Council secured funding from Historic Environment Scotland (HES) in March 2015 with an award of £990,000. This is Campbeltown's second CARS and the project runs from April 2015 to March 2020 and builds on the success of the Campbeltown Round 1 CARS and THI project. The latter ended in June 2016 with the opening of the re furbished Town Hall and the redevelopment of the Main Street/Cross Street Main street building.

The total common fund including the Historic Environment Scotland grant (\pounds 990,000), Council match funding (\pounds 500,000), surplus CHORD funds (\pounds 122,626) and owner's contributions is \pounds 2,293,048. There is a dedicated project officer in post to deliver the project.

The scheme includes funding for four priority buildings, a small grants scheme and an allowance for traditional skills training and complementary initiatives. Due to the configuration of the properties, two of the priority buildings are divided in to seven separate tenements and are being treated as separate projects. Due the limited funding that is available it is unlikely that all seven of these buildings will be fully repaired in addition to the other two standalone priority buildings.

To date one repair project has been completed at 10-20 Longrow South. CARS grant funding of £203,609 part-funded high level repairs and the replacement of the rear amenity deck, safeguarding three ground floor businesses and six homes. The project has also led to two vacant units being reopened creating five jobs.

The second priority project is on site at 9-15 Longrow South. CARS grant funding of \pounds 70,799 is part funding the \pounds 221,902 repair costs that will safeguard sixteen jobs and two homes.

The third priority building at 10-14 Main Street (McLean Place) is due to start on site in early October. The total project cost is £399,827 includes

CARS grants of £177,187.

The largest priority project at 22-26 Main Street / 2-8 Longrow South is at the detailed design and development phase. Total project costs are projected to be £550,000 with a site start in April 2018. This project involves 21 separate units and owners already have their £105,000 contribution deposited in their Owners Association bank account.

The amenity deck project at 1-21 Longrow South / Main Street / Union Street is at the construction tender stage. This project is being led by Housing Services and involves 30 separate units (commercial and residential).

Owners at both 3 Longrow South, and 44-48 Main Street have formed Owners' Associations and commissioned Tenement Condition Surveys and Reports. Both reports have confirmed that significant works are required including total re-roofing of both buildings. Owners are now considering what to do next and may apply for CARS grant funding.

The Small Grant Scheme has seen three grants awarded to date with two window repair projects completed at Union Street and urgent roof repair work at the Argyll Arms Hotel on Main Street, safeguarding the Hotel's letting capacity and business viability. The launch of Phase Three of the Small Grants Scheme is being delayed until further costs are available for priority buildings.

To date the CARS training programme has delivered a mix of events for the general public, construction trades and building professionals. Public events include awareness raising and update events, and advice sessions to homeowners. Activities are targeted at identified need and new approaches. Highlights have included:

- An architectural exhibition (attracting over 2,000 visitors);
- A "Warm homes" event for local homeowners;
- Specialist leadwork training for contractors;
- A 'Drones Awareness Day' showing the abilities of Drones for building surveys.
- Over 30 delegates are booked on the `Dampness in Traditional Buildings' seminar in September.
- 4.1.2 Hermitage Park, Parks for People Project, Helensburgh The. Lot 2, Landscape and conservation works, began 13th February 2017 and are well underway. The Pavilion, Japanese Shelter and toilets have been demolished, 125 poor and damaged trees cleared, new drainage nearing completion, paths laid and works are ongoing to the 'A' listed war memorial and gardens. The play park, which has been kept open during the works, will now close until summer 2018, which will enable the completion of works for the Armistice Day ceremony to take place in the park. Lot 1, to build a Pavilion, was awarded in

August 2017 and will shortly move into the detailed design phase. Contract capital works are on track for the proposed opening in late summer 2018.

Delivery of the five year activity plan will continue throughout these capital work phases and beyond. Key highlights to date include: over 100 people attending the 'cutting of the sod' ceremony in the park; 53 members of the public attending a tree walk to see what trees were being removed and why; 174 children and teachers undertaking a park archaeological dig; 26 adults attending a dry stone walling practical weekend; and 31 young people choosing to spend a day volunteering in the park. Over the past year there have been £19,000 worth of volunteer hours in the park and we are on target to deliver the proposed £102,000 by the end of the activity plan. The assistant park manger post will play a key role in the successful delivery of the activity plan.

Work on a pedestrian and cycle traffic light crossing on Sinclair Street began on 15th August with an expected completion date of 6-8 weeks and the car park development is programmed for early 2018.

As the £2.3m park development continues officers working with the Friends have continued to raise external funds for elements of the project that were constrained by available budgets. This is amounts to a further £80k and is for works to enable cycling, further repairs to the war memorial and nature interpretation.

The project attracts positive press and The Friends of Hermitage Park keep the community updated through their facebook pages #Helensburgh Hermitage Park.

4.1.3 Rothesay TH Phase 2/CARS – Following a successful five year delivery phase the initial Rothesay Townscape Heritage Initiative (THI) was completed on 31 March 2016. The project was delivered on time and in budget. During the last year of the THI HLF encouraged the council to submit a first round funding bid to secure a subsequent round of HLF funding for a second phase Townscape Heritage (TH), formally known as the THI. The bid was submitted in September 2015 and was successful and a first round grant of £109,700 was awarded to the Council on 26 January 2016. The award funded a first round yearlong development phase to support and inform a subsequent robust and deliverable second round bid, which was submitted to HLF on 3 March 2017. The application was successful and an award of £1,889,700 was made to the council on 20 June 2017. This offer was formally accepted by the Policy and Resources Committee on 17 August 2017. The award is part of a wider funding package that includes a commitment of £200,000

from Argyll and Bute Council, £500,000 from Historic Environment Scotland, £65,800 from LEADER and £21,500 from Smarter Choices Smarter Places. It is anticipated that an award from Highlands and Islands Enterprise to the level of £70,249 will be confirmed September/October.

Rothesay TH will run over a 5 year delivery period, 2017-2022. The focus of the project will be much more holistic than that of the recently completed THI, and as such will seek to involve the community at every opportunity. Feedback and actions from the Rothesay Charrette, a community consultation and master planning exercise, held in February 2016, shaped the direction and scope of the TH project. It is also intended to continue to work closely with Bute Island Alliance, the organisation which commissioned the Charrette and which delivered elements of the development phase of the TH in partnership with the Council.

4.1.4 **Inveraray CARS** - Historic Environment Scotland (HES) CARS grant was awarded in March 2013 and the project commenced 1 April 2013. The Total fund is £2,141,515 of which HES awarded £970,000 to the Council and the Council agreed to provide £350,000 of match funding. Funding for a project officer was secured as part of the project and an officer is currently in post delivering the project. The project is currently into its fifth year of delivery, completion due 31 March 2018.

Three priority building projects were completed in March 2017, Temperance, Chamberlain's and Town House and the two final larger scale priority projects Arkland and Relief Land are nearing completion.

Six small repair grant projects (covering 12 properties) have been successfully completed. Further projects at the Inveraray Inn (Argyll Hotel), Avenue Screen and Dalmally Arch are currently being developed and are due to be completed before 31 March 2018.

A number of complementary initiatives have been held including lead training, surveying of heritage buildings, energy efficiency etc. Avery successful Walking Theatre project with Inveraray Primary School concluded in June 2017 with an exhibition and live performances of the play 'A Town We Made'. Further training and community engagement events are planned for winter 2017.

4.1.5 Dunoon CARS - Historic Environment Scotland (HES) CARS grant was awarded in April 2017. The total grant project amounts to £1,889,429.54 including £1,002,348.00 from HES and Argyll and Bute Council match funding of £500,000 Funding for a project officer was secured as part of the project and the project officer commenced work on the 31st of July 2017. The Dunoon CARS project officer is currently also completing the Inveraray CARS project and a phased transition from one project to the other is in place. Dunoon CARS will officially launch on the 16th of September 2017. The project will include major rehabilitation works to four priority buildings, a number of shopfront repair projects, small repair grants and a series of traditional skills training and community engagement events.

4.1.6 Culture, Heritage and Arts (CHArts) and the Place Partnership Plan (PPP) Project

The development of the Culture, Heritage and Arts (CHArts) sector is recognised as having huge potential for economic development within Argyll and Bute, as demonstrated through the CHArts Strategy, March 2014, HIE Creative Industries Strategy 2014-19, and the Economic Forum Report, February 2016, amongst others. In 2016 Creative Scotland agreed a Place Partnership Plan (PPP) with Argyll and Bute Council to addressing the sustainability and growth of the CHArts sector in Argyll and Bute and its economic impact. This PPP takes account of the need for collaborative working to create events and products of sufficient quality and scale to be marketable and attract audiences to the area and delivers on actions agreed within the CHArts Strategy. The PPP project has successfully secured funding of £200k from Creative Scotland, £160k from Argyll and the Islands LEADER and Council funding of £20k and is programmed to be delivered by winter 2019. Following a procurement consultants have been appointed to assist in the delivery of key elements of the PPP. The project is managed by the council, working in partnership with CHArts Steering Group that is sector led and consists of representatives from nine geographic hubs.

4.1.7 **Tarbert and Lochgilphead Regeneration Fund** – In its 2016/17 budget the Council allocated £3 million from reserves to support regeneration and economic development in the settlements of Tarbert, Lochgilphead and Ardrishaig.

Following discussions with a number of local organisations and bearing in mind the existing community action plans and outputs of the Crinan Canal Charrette, 42 projects were identified for consideration. A scoring process was put in place to reduce the number of projects and in December 2016 the Mid Argyll, Kintyre and the Islands (MAKI) Area Committee and Policy and Resources Committee agreed to shortlist 11 projects for further consideration.

These 11 projects have now been subject to outline business case assessment and further scoring. On 6 September the Mid Argyll Kintyre and Islay Area Committee agreed to the final 6 projects to go forward to full business case stage. Policy and Resources Committee are being asked to ratify their decision separately at this committee meeting on 19 October.

4.2 **Budget**: These are predominantly externally funded projects with a proportion of Council funding and for each project there are set budgets against specific outcomes and timelines. The externally funded elements of the project costs can

only be claimed once there is proof of all the necessary information to the external funders.

5. CONCLUSION

5.1 The council currently has a total of four CARS schemes and one TH/CARS scheme in progress. The total value of these schemes represents well in excess of £10 million of investment into the built heritage of our key towns and is mainly made up from funding from HES and HLF with match funding from the council and private owners. A significant number of building owners (commercial and residential) have benefited from funding which has delivered a significant level of investment and refurbishment to their properties. Many of these owners would have been unable to undertake these repairs without grant assistance and their properties would have continued to deteriorate. This investment has changed the appearance of our key town centres for the better making them more attractive places to live, learn, work and do business. Nevertheless delivering this number of externally funded projects is challenging and particularly in the case of the TH/CARS projects where our role is one of encouraging residential and commercial private building owners to access grants in order to secure investment into the fabric of our towns. In regard to the latter the successful delivery of the projects requires close working with the respective owners, both residential and businesses, to ensure compliance and delivery in accordance with the various funders' criteria, timelines and budgets available. Progress is reviewed continually and we report on a quarterly basis to the respective funders on all our externally funded projects. This also applies with our role in managing and monitoring council grant funding to third part projects including RCGF grant offers.

6. IMPLICATIONS

6.1	POLICY	The delivery of these projects fits with the Council's Corporate Plan, Single Outcome Agreement and the Economic Development Action Plan. The economic outcomes from this project will contribute to the Government's Economic Strategy.
6.2	FINANCIAL	As outlined in section 4.2 above and appendix 1.
6.3	LEGAL	Each project will have differing legal and procurement requirements and we are working closely with colleagues to identify the support required and to allow this to be factored into future work plans
6.4	PERSONNEL	Recruitment is currently taking place in regard to Rothesay TH development post. The resources required to deliver the projects will be continually monitored and reported to the Policy and Resource

Committee.

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

Executive Director Development and Infrastructure Services: Pippa Milne

Policy Lead: Councillor Aileen Morton

August 2017

For further information - please contact Audrey Martin, Transformation Projects and Regeneration Manager Economic Development and Strategic Transportation. Tel 01546 60 4180

APPENDICES

Appendix A – Project Highlight Report August 2017

APPENDIX A - LARGE SCALE PROJECT UPDATE REPORT

RAG Status August 2017

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

Project	Overall	Time	Quality	Budget / Cost	Outcomes/Benefits.	Status
Campbeltown –CARS	In March 2015, Argyll and Bute Council secured funding from Historic Scotland for a Round 6 CARS for Campbeltown town centre. This builds on the success of the Round 1 CARS and THI projects. Works completed at 10-20 Longrow South. Work in progress at 9-15 Longrow South and Argyll Hotel. Grants ready to be offered at McLean Place West (Main St.). Development works in progress at 22-28 Main St/Longrow South. And the amenity deck project. Work continues with owners of remaining buildings. The Training and Education Programme is being delivered as per the programme and is being well received.	consists of £2.3million, runs from April 2015 to	Building on the success of the initial CARS/THI this Second CARS scheme has been well received by the community and we have taken any lessons learned from the previous project and will apply it to the new project as we move forward.	The total common fund including the Historic Environment Scotland grant (£990,000), Council (£500,000), Surplus CHORD (£122,626) and owner's contributions is £2,293,048. To date £452,921 has been committed. 18 grants have been awarded totalling £370,478 involving work on 4 buildings. Another 8 grants totalling £177,184 are due to be offered in September for Mclean Place West followed by 21 grants totalling £205,138 for 22-28 Main St in early 2018.	safeguard the future of other buildings thus preserving	Green
Project	Overall	Time	Quality	Budget / Cost	Outcomes/Benefits.	Status

Hermitage Park – Parks for People Heritage led regeneration	Lot 2 works, landscape and conservation works, are progressing well and Lot 1, build of the pavilion, has just been awarded. The project is on track and capital works are programmed to complete late Summer 2018. The activity plan elements continue to be delivered alongside capital works however these will increase significantly post capital completion.	5 year delivery, involving the capital element as well as delivery of the activity plan, community engagement and management and maintenance. Construction started on site February 2017 and programmed to complete late Summer 2017.	Quality of work is good and public feedback is very positive.	The Hermitage Park stage two project cost is £3,110,996 and includes funding from a range of sources, including a council commitment of £280,000 agreed in February 2013, Ministry of Defence Covenant application of £253,000 and recently approved Sustrans funding application of £300,000. All match funding is in place. Officers and Friends continue to fund raise for elements of the park which were taken out to allow the main project to go ahead.	Enhancing the attractiveness of the Park to local residents, visitors and investors thus increasing the economic performance of the town.	Green
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Project	Overall	Time	Quality	Budget / Cost	Outcomes/Benefits.	Status
Rothesay TH Phase 2	Rothesay TH will run over a 5 year delivery period, 2017-2022. The focus of the project will be much more holistic than that of the recently completed THI, and as such will seek to involve the community at every opportunity. Feedback and actions from the Rothesay Charrette, a community consultation and master planning exercise, held in February 2016, shaped the direction and scope of the TH project. It is also intended to continue to work closely with Bute Island Alliance, the organisation which commissioned the Charrette and which delivered elements of the development phase of the TH in partnership with the Council.	It is critical to appoint a project officer this autumn to ensure that the project can be successfully launched this year.	The proposed second phase TH has been very well received by the community and it was a key action coming out of the recent charrette process,	An award of £1,889,700 was made to the council by HLF on 20 June 2017. The award is part of a wider funding package that includes a Council commitment of £200,000, £500,000 from HES, £65,800 from LEADER and £21,500 from Smarter Choices Smarted Places. It is anticipated that an award from HIE to the level of £70,249 will be confirmed mid-September.	To bring derelict buildings back into economic use and to safeguard the future of other buildings thus preserving Rothesay's townscape heritage.	Green
	There are a number of work items required to enable HLF to give their permission to start the project, and as such it is anticipated that the project will launch in the autumn of 2017. In preparation for this, adverts for a dedicated project officer and admin/finance assistant have been prepared, with interviews scheduled for mid-September. In addition to this, work is ongoing with colleagues in Procurement to tender for professional services to also support the project. This work will result in a framework agreement with a conservation accredited architect and design team that can be utilised by the					

property owners to enable them to progress their applications and apply for grant.			

Project	Overall	Time	Quality	Budget / Cost	Outcomes/Benefits.	Status
Inveraray CARS	HES CARS grant awarded and project commenced 1 April 2013.Total fund £2, 141,515.00 of which HES awarded £970,000 and Council awarded £350,000.Project Officer in post Project is 	Final two priority building projects due to complete in September 2017 – 6 months late. Additional small projects at Avenue Screen, Dalmally Arch, Inveraray Inn and Ivy House will need to be completed by 31 st of March 2018. Tight deadlines will require careful management.	This has been a challenging project and there have been a number of issues that have had to be dealt with however progress has been made and the final priority buildings will be completed successfully albeit 6 months overdue. Notwithstanding this at this stage given the challenges at Arkland and Relief Land and the tight deadlines for the Avenue Screen, Dalmally Arch, Inveraray Inn and Ivy House it is still a project that offers a medium risk in regard to delivery.	Total common fund £2,122,654.00, which included HES £970,000, Council £350,000 All building grants, both priority and small grants have been allocated. This represents £1,858,516.29 of the total fund Supplementary funding requests for additional projects and proposals for reallocation of salary savings are currently being assessed by Historic Environment Scotland.	The Inveraray CARS project seeks to enhance the quality of the built heritage and environment of Inveraray as a place to live, work and visit. This aligns with the Councils and Scottish Government objective which makes specific reference to the importance of the physical fabric of our towns, the importance of Place and the need to ensure that there is an alignment of capital investment across the public sector and agencies.	Green

	exhibition and live performances of the play 'A Town We Made'					
Project	Overall	Time	Quality	Budget / Cost	Outcomes/Benefits.	Status
Dunoon CARS	Historic Environment Scotland (HES) CARS grant was awarded in April 2017 Funding for a project officer was secured as part of the project and the project officer commenced work on the 31st of July 2017. The Dunoon CARS project officer is currently also completing the Inveraray CARS project and a phased transition from one project to the other is in place. Proposals for the re-allocation of funds from salary savings have been discussed with Historic Environment Scotland. Dunoon CARS will officially launch on the 16th of September 2017. The project will include major rehabilitation works to four priority buildings, a number of shopfront repair projects, small repair grants and a series of traditional skills training and community engagement events.	Dunoon CARS runs from April 2017 to the 31 st of March 2022. Dunoon CARS will officially launch on the 16th of September 2017.	Dunoon CARS has been well received by the public to date. Lessons learnt from previous CARS and THI projects will be applied along with careful communication and close monitoring of projects to ensure the highest possible quality and best value for public investment.	The total grant project budget amounts to £1,889,429.54 including £1,002,348.00 from HES and Argyll and Bute Council match funding of £500,000.00	The Dunoon CARS project seeks to enhance the quality of the built heritage and environment of Dunoon as a place to live, work and visit. This aligns with the Councils and Scottish Government objective which makes specific reference to the importance of the physical fabric of our towns, the importance of Place and the need to ensure that there is an alignment of capital investment across the public sector and agencies.	Green
Project	Overall	Time	Quality	Budget / Cost	Outcomes/Benefits.	Status
Tarbert and Lochgilphead Regeneration Fund	The Council has allocated £3m of funding to help regenerated and promote economic development in Tarbert, Lochgilphead and Ardrishaig. Committee have been asked to confirm the projects to proceed to full business case	Following confirmation of the projects to progress to full business case, work will commence on the additional information to enable this process to be completed.	The Fund will help to support the delivery of some of the suggested outputs from the Crinan Canal Charrette as well as supporting identified	£3m allocated from Council sources but external funding will be levered in wherever possible.	The outcomes will be confirmed once the selected projects have been identified. The project is expected to boost local sense of place and help to support vibrant	Green

	assessment.	It is expected that third party projects will be the first to be delivered with work potentially commencing early in 2018.	community priorities.		communities which are good place to live in, work in and visit.	
Culture, Heritage and Arts (CHArts) and the Place Partnership Plan (PPP) Project	In 2016 Creative Scotland agreed a Place Partnership Plan (PPP) with Argyll and Bute Council to addressing the sustainability and growth of the CHArts sector in Argyll and Bute and its economic impact. The project is managed by the council, working in partnership with CHArts Steering Group that is sector led and consists of representatives from nine geographic hubs.	The project is programmed to be delivered by winter 2019.	This PPP takes account of the need for collaborative working to create events and products of sufficient quality and scale to be marketable and attract audiences to the area and delivers on actions agreed within the CHArts Strategy.	The PPP project has successfully secured funding of £200k from Creative Scotland, £160k from Argyll and the Islands LEADER and Council funding of £20k.	The development of the CHArts sector is recognised as having huge potential for Argyll and Bute. This has been demonstrated through the CHArts Strategy, March 2014, HIE Creative Industries Strategy 2014-19, and the Economic Forum Report, February 2016, amongst others.	Green