

**Tarbert and Lochgilphead Regeneration Fund – Gleaner Phase 1 Full Business  
Case**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 This report provides an update on the proposals for the Gleaner Phase 1 project and consideration of the full business case. Phase 1 will look to refurbish two existing buildings and develop a new build extension. These buildings will provide space for new businesses and it is hoped to attract those with a focus on food and drink, the creative industries and marine leisure. If a third party lessee could not be secured then Scottish Canals have indicated that they would operate the buildings themselves. Externally there will be new parking facilities and walking and cycling links to improve accessibility of the site and links between Pier Square and Chalmers Street. Further information about the redevelopment proposals is contained within Appendix 1.
- 1.2 To assess this project, Scottish Canals have provided a full business case together with details of their constitutional and financial arrangements. A copy of the assessment of the business case undertaken is contained at Appendix 2.
- 1.3 The decision of the MAKI committee in September 2017 confirmed that a maximum contribution from the Council for phase 1 would be £250,000. Following feedback from local members, the outline business case included an indication that it would be a requirement of the funding that Argyll and Bute Council's contribution to the project will not exceed the investment made by Scottish Canals to the project costs. The full business case confirms that the investment by Scottish Canals is expected to be at least £235,000. It is however recommended that the maximum grant is approved and that delegated authority is given to the Executive Director of Development and Infrastructure to confirm the final contribution in line with the Scottish Canals investment.
- 1.4 Members of the Mid Argyll, Kintyre and the Islands Area Committee are asked to:
1. Recommend to Policy and Resources Committee that:
    - a. The maximum grant funding of up to £250,000 should be allocated to the Gleaner Phase 1 from the Tarbert and Lochgilphead Regeneration Fund.
    - b. Delegated authority be afforded to the Executive Director of Development and Infrastructure Services to confirm the final grant amount. The Executive Director will only have the delegated authority to approve grant where it would not exceed the contribution made by Scottish Canals/Scottish Waterways Trust.

**Tarbert and Lochgilphead Regeneration Fund – Gleaner Phase 1 Full Business Case**

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**2.0 INTRODUCTION**

2.1 This report provides an update on the proposals for the Gleaner Phase 1 project and consideration of the full business case.

2.2 On 6 September 2017, the Mid Argyll, Kintyre and the Islands Area Committee agreed six projects which should proceed to full business case through the Tarbert and Lochgilphead Regeneration Fund. This decision was ratified by Policy and Resources Committee on 19 October 2017. It was noted in the report that full business cases for each of the projects will be submitted for consideration by committee as they become available as each of the projects will develop at a different pace. The agreed projects included an allocation of up to £250,000 for the Gleaner Phase 1 project.

**3.0 RECOMMENDATIONS**

3.1 Members of the Mid Argyll, Kintyre and the Islands Area Committee are asked to:

1. Recommend to Policy and Resources Committee that:
  - a. The maximum grant funding of up to £250,000 should be allocated to the Gleaner Phase 1 from the Tarbert and Lochgilphead Regeneration Fund.
  - b. Delegated authority be afforded to the Executive Director of Development and Infrastructure Services to confirm the final grant amount. The Executive Director will only have the delegated authority to approve grant where it would not exceed the contribution made by Scottish Canals/Scottish Waterways Trust.

**4.0 DETAIL**

4.1 The scoring process which was used to select the six projects to proceed to full business case identified the Gleaner Project as the top scoring project for Ardrishaig. The project is split into two phases, the first phase being focused on the buildings at the southern end of the site which is closest to Pier Square. The second phase will look to redevelop the remainder of the site. A maximum of £250,000 was allocated for each of the phases. The project will be led by Scottish Canals.

4.2 Phase 1 will look to refurbish two existing buildings and develop a new build extension. These buildings will provide space for new businesses and it is hoped to

attract those with a focus on food and drink, the creative industries and marine leisure. Externally there will be new parking facilities and walking and cycling links to improve accessibility of the site and links between Pier Square and Chalmers Street. Further information about the redevelopment proposals is contained within Appendix 1.

- 4.3 This project was the successful recipient of funding from the Scottish Government's Regeneration Capital Grant Fund with £580,000 being allocated for spend within the 2017/18 financial year. Scottish Canals are therefore progressing towards being able to let a contract for construction in February 2018 with works starting onsite shortly after. In order to be able to sign this contract, they need confirmation of funding from all parties, including the Council's contribution.

#### Assessment of Full Business Case

- 4.4 To assess this project, Scottish Canals have provided a full business case together with details of their constitutional and financial arrangements. A copy of the assessment is contained at Appendix 2.
- 4.5 Following this assessment, it is considered that overall the impacts of the project and the organisation's governance, financial planning and project planning are sufficient that the Council's funding can be confirmed. There is already a draft grant agreement prepared in relation to the RCGF funding (since the Council is the recipient of the funding which is then passed to Scottish Canals) and it is proposed that an agreement with similar terms and conditions will be prepared in relation to the Council's contribution which committee are currently being asked to confirm. A summary of the key points is shown below:
- Policy Review – the project is in line with Council policy including supporting the objectives of the Single Outcome Agreement/Local Outcome Improvement Plan. The project has the potential to provide additional business space which can support the food and drink industry within Argyll, a key sector identified in the Economic Development Action Plan. Furthermore, the regeneration of Ardrishaig is specifically referenced in the MAKI Economic Development Action Plan. As well as supporting new businesses, the project could support the CHArts (Culture, Heritage and Arts) Place Partnership Project which aims to promote the culture, heritage and the arts opportunities available within Argyll and Bute and would implement an allocation within the Local Development Plan for the redevelopment and environmental improvement of the former Gleaner site.
  - Governance Review – Scottish Canals is a Scottish Public Body, it is the operating name of the British Waterways Board which was established by the Transport Act 1962. The project has been approved by the Scottish Canals Executive Project Board.
  - Financial Review – Capital costings for the project have been set out and a funding strategy identified, work is ongoing in relation to securing this funding with two outstanding funding decisions at the time that this report was written. No Council funding would be released until such time as the full funding had been secured and work had commenced on delivering the project. Scottish Canals hope to let the units once they have been completed but have indicated that they will operate themselves should occupiers not come forward immediately.
  - Deliverability/Risk Review – The project will be managed by a Scottish Canals project manager who will be supported by the appointed design team. Scottish

Canals have experience in delivering large scale regeneration projects. It is expected that the Council funding, which is the subject of this report, will be the final funding decision to be received. Should the other funding bids be unsuccessful, no Council funding will be released until such time as there is a fully funded, deliverable project. Work has commenced on the tender process with a contract being signed in February 2018. Work will commence on site shortly after and is expected to take 8-9 months to complete. The buildings on the site are expected to be operational by November 2018. The early part of this timescale, particularly co-ordinating funding decisions with the procurement of a contract for the onsite works, is tight and there is limited scope for slippage. If the RCGF funding is to be drawn down then it will be imperative that this stage of the project is delivered on time or there is a risk that the RCGF funding could be lost and this would put the whole project in jeopardy.

The funding and timescales involved with delivering the project are the biggest risks at this stage but there will remain, after these are resolved, a number of risks which will be managed and mitigated against e.g. unknown site conditions.

It should however be noted that there are risks associated with the project not receiving funding from the Council. Failure to confirm this funding would put at risk the entire project and particularly the RCGF funding. It is not expected that the project will be able to proceed without public funding and should the project not progress the site will continue to blight the local community. There would also be a loss of public confidence if the project did not proceed which could be detrimental to the wider regeneration of Ardrishaig. Indirect negative impacts could be felt in terms of a loss of potential income for the local economy.

#### Funding allocation

4.6 The funding required for the delivery of project is as follows:

<b>Funder</b>	<b>Figure</b>	<b>Confirmed/ expected/ applied for</b>	<b>Date expected/ confirmed/ to be applied for</b>
<b>Costs expended in developing the project to full business case (costs to date)</b>			
Scottish Canals	£25,000	Paid out	
<b>Capital project costs</b>			
Scottish Canals / Scottish Waterways Trust	£190,000	Confirmed	
Argyll & Bute Council	Up to £250,000	In principle approved	Decision MAKI Committee 6 Dec Decision ABC P&R Committee 8 Dec
Regeneration Capital Grant Fund	£580,000	Approved by Scott Govt.	
SUSTRANS	£180,000	Applied for	Decision Nov 2017

LEADER	£300,000	Applied for	Decision Nov 2017
Ardrishaig Community Trust	£5,000	In principle approved	Decision Oct 2017
<i>Capital Project total</i>	<i>£1,505,000</i>		
<b>Project Management costs</b>			
Scottish Canals	£20,000 (in-kind)	Confirmed	

*Table 1: Funding*

4.7 The decision of the MAKI committee in September 2017 confirmed that a maximum contribution from the Council for phase 1 would be £250,000. Following feedback from local members, the outline business case included an indication that it would be a requirement of the funding that Argyll and Bute Council's contribution to the project will not exceed the investment made by Scottish Canals to the project costs. The full business case confirms that the total investment by Scottish Canals (and their partner organisation Scottish Waterways Trust, Scotland's national waterways charity) is currently expected to be at least £235,000. It is therefore proposed that the initial allocation from the Tarbert and Lochgilphead Regeneration Fund budget will be £235,000.

4.8 This is £15,000 less than the maximum which was allocated at outline business case. There may be a risk in allocated less than the £250,000 since the total funding identified in the full business case indicates that the Council's contribution of £250,000 is required to make the full funding target. However, it is noted that the capital costs include contingencies of approximately £115,000 and therefore should all the funding come through and costs be as estimated, it would be sufficient to enable Scottish Canals to progress with the signing of a contract. It is recommended that the grant is increased to the maximum if necessary and subject to Scottish Canals also increasing their contribution. The decision on whether this funding is released is recommended to be delegated to the Executive Director of Development and Infrastructure Services.

#### Grant agreement

4.9 Should this funding request be confirmed the offer of grant which has been prepared for the drawdown of the RCGF from the Council to Scottish Canals will be used as a template for this additional contribution to ensuring that the Council is appropriately protected in relation to any grant paid. No monies will be paid out until the project is fully funded and deliverable.

## **5.0 CONCLUSION**

5.1 Due to the timescale for delivery for Gleaner Phase 1, it is necessary to progress the assessment of the full business case and confirm the funding for this project at this time. No funding will be released until the project is fully funded and deliverable.

5.2 On the basis of this assessment it is recommended that a maximum of £250,000 funding is confirmed for Gleaner Phase 1 from the Tarbert and Lochgilphead Regeneration Fund. The initial funding to be provided will be £235,000 but this may be increased to the maximum where Scottish Canals demonstrate that this is

necessary for the successful delivery of the project and any increase in Council funding will be matched by Scottish Canals, this increase would be delegated to the Executive Director of Development and Infrastructure.

## **6.0 IMPLICATIONS**

- 6.1 Policy – The project offers 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 Charts.
- 6.2 Financial – £250,000 grant contribution where Scottish Canals can demonstrate that Council funding will be matched by Scottish Canals investment. Spend is expected to take place in 2017/18 and 2018/19. The initial funding will be £235,000.
- 6.3 Legal – a formal grant agreement will be put in place to cover the grant payment.
- 6.4 HR – support will be required from Legal Services and Strategic Finance.
- 6.5 Equalities – none at this time.
- 6.6 Risk – The most significant risks are around securing the necessary funding and delivery of the project within the timescale set by the funders. Other risks include unexpected site conditions, lack of capacity in services, flooding and other construction related risks. There are also risks should the funding not be granted and the project not proceed, these relate to a lack of environmental improvements, failure to kick start regeneration in Ardrishaig and loss of reputation for both Scottish Canals and Argyll and Bute Council.
- 6.7 Customer Service – none at this time.

**Executive Director of Development and Infrastructure – Pippa Milne**  
**Policy Lead – Councillor A Morton**

7 November 2017

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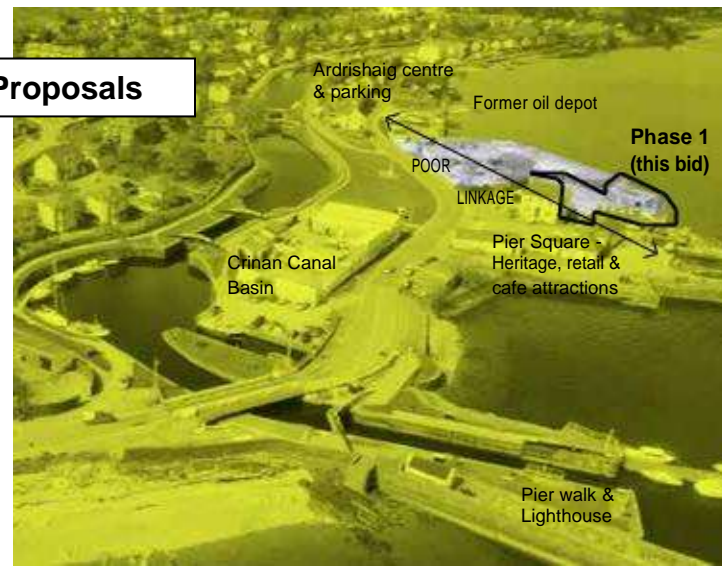
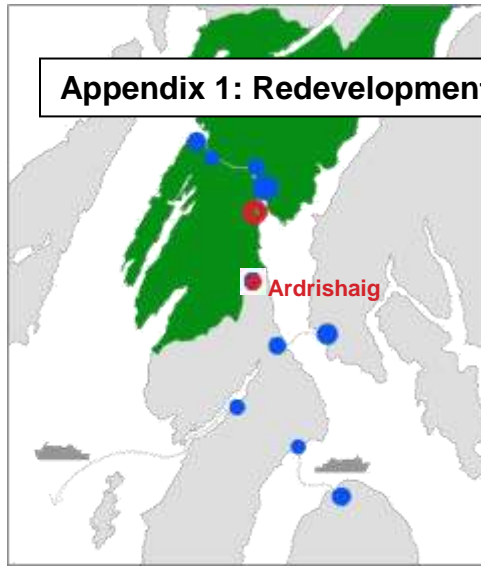
## **APPENDICES**

Appendix 1: Redevelopment Proposals

Appendix 2: Assessment of Redevelopment Proposals



# Appendix 1: Redevelopment Proposals



The 'Egg Shed', formerly used for storing dairy between sea, land and canal transportation



The site is part of a derelict oil storage depot

The project is to regenerate a derelict oil depot, an important town-waterfront site, to create a waterside hub for community and niche business uses with a focus on creative industries, food and marine leisure uses, training and social enterprises. It forms part of the redevelopment of the waterfront, the regeneration of Ardrishaig town and the wider Crinan Canal to increase economic activity and maximise community assets.

## The context at present

### Summary of proposal



Returning the site to enterprise. Robust, adaptable buildings

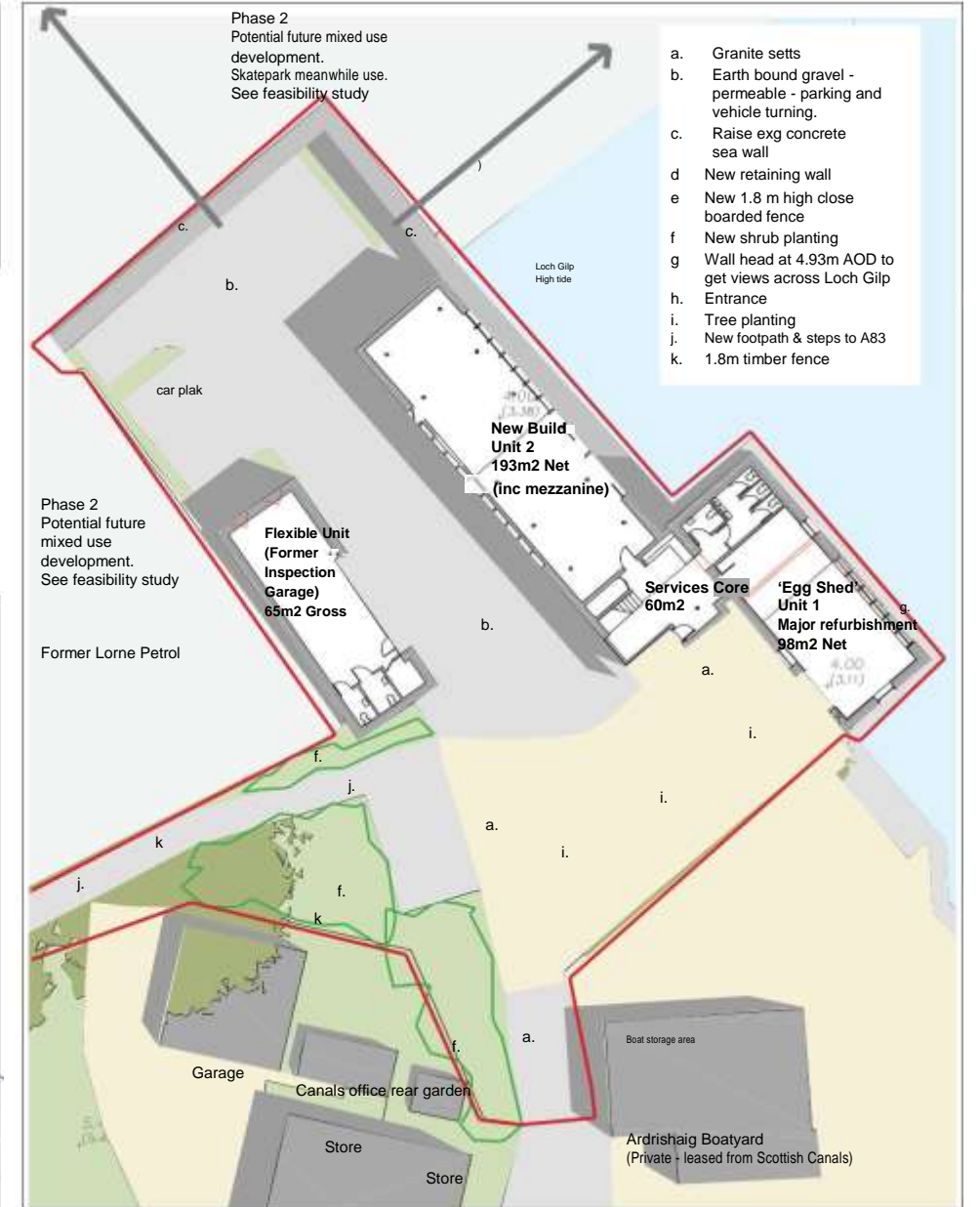
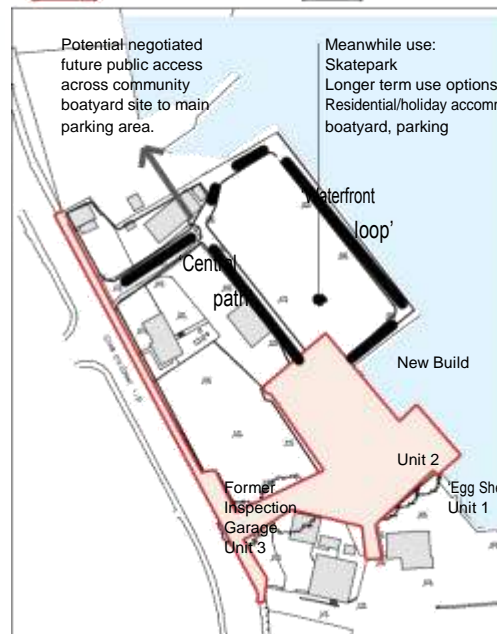
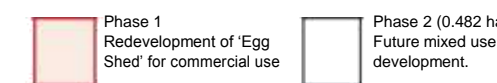
The bid is for Phase 1 of a much larger site. Phase 1 includes the redevelopment of an existing derelict building known as the 'Egg Shed' and creating an adjoining new building for business and light industrial use.



Sketch from charrette public consultation April 2016



Public participation has been high (April 2016)







## Appendix 2: Assessment of Redevelopment Proposals

### Policy Review

The proposal will redevelop the southern part of the former Gleaner Oil Depot in Ardrishaig. Located adjacent to Pier Square this part of the site is part of the terminus of the Crinan Canal, an important landmark in the heart of Mid Argyll. The redevelopment will provide business and community space with the aim of expanding the range of services and facilities available at Pier Square and therefore provide an attractive destination for local residents and visitors alike. The Phase 1 works will bring a 0.12 hectare site back into use. The works include;

- Site remediation including raising an area of land above the coastal flood level and capping contaminated ground.
- 98m<sup>2</sup> 'Egg Shed' structure converted to form a fully modernised serviced building suitable for a variety of lessee uses. Replace roof (currently asbestos sheet) with new raised roof, raise ground floor above flood datum, masonry repairs, strap line & insulate internally, new mezzanine floor, windows, doors, roof-light, WC/kitchenette, heating, ventilation, electrics, plumbing and drainage.
- 193m<sup>2</sup> new build workshop unit. Single storey portal frame structure on raised in-situ slab with profiled metal insulated roof panels and flood resistant panelised cladding to walls.
- 60m<sup>2</sup> shared services and entrance joining the 'Egg Shed' and new build elements.
- 65m<sup>2</sup> – Flexible space in former inspection garage. A 'light touch' refurbishment to enable this structure to be used for meanwhile activities such as an arts studio / cinema. Its floor level is below the coastal flood level and its poorer quality of its construction means it does not warrant the same level of refurbishment work as the 'Egg Shed' however it can make a meaningful contribution to increasing activity on the site.
- External works – hard landscaped forecourt and access in bound gravel with 4no planted trees, permeable paving to parking area, timber screen and planting boundary treatment to boatyard (south east), foul and surface water drainage.

The project is expected to deliver the following:

- 3 work/community spaces with a focus on the creative industries, food and drink and marine leisure uses in a unique, coastal location;
- Remediation of part of a currently vacant site;
- Additional walking/cycling facilities;
- Additional parking provision;
- 10 FTE construction phase jobs and an estimated 12.5 FTE following redevelopment;
- To act as a catalyst for redevelopment of the remainder of the site and the wider regeneration of this part of the Crinan Canal.

### Single Outcome Agreement/Local Improvement Plan

The proposed redevelopment will help to contribute to the following outcomes within the Single Outcome Agreement (SOA).

- The economy is diverse and thriving – the project will bring funding into Argyll and will increase the offer of business space enabling new businesses to operate which will hopefully attract visitor which will further benefit the Argyll economy;
- We have infrastructure that supports sustainable growth – the project will deliver improved community infrastructure as the Ardrishaig Community Trust is engaging with the redevelopment process. It will also support improved walking and cycling infrastructure;
- Education, skills and training maximises opportunities for all – opportunities for training and educational activities will be realised;
- People live active, healthier and independent lives – the redevelopment will improve walking and cycling opportunities facilitating active travel and associated health benefits;
- People live in safer and stronger communities – Ardrishaig Community Trust are engaging with proposals for redeveloping the site and Scottish Canals are investigating options for helping them realise ambitions for community activity on the site.

Support for these outcomes help to support the overall SOA objective that Argyll and Bute's economy is built on a growing population.

#### Economic Development Action Plan

The Strategic Economic Development Action Plan supports the development of the tourism sector and this project aims to expand the tourist offer available within Ardrishaig. In addition the project could help to support the following activities listed – securing inward investment and local employment/ training opportunities for Argyll and Bute, supporting the food and drink sector, promoting the cruise ship market (Scottish Canals are separately investigating opportunities to enable cruise ships to visit Ardrishaig and this site could play a part in this offer).

The Mid Argyll, Kintyre and the Islands (MAKI) Economic Development Action Plan supports the regeneration of the main towns of the MAKI area including Ardrishaig. Specific actions refers to the approval of the Action Plan from the Crinan Canal Charrette, which has been agreed and which identifies the redevelopment of the Gleaner Site as important. Identification of the projects to be taken forward through the Tarbert and Lochgilphead Regeneration Fund is also an action listed in relation to this measure. The Gleaner Phase 1 proposal has been accepted as a project to progress to full business case stage through this Fund and it is for this reason that this assessment is being undertaken.

#### Relationship to other projects

The improved walking and cycling routes could link into the North Ardrishaig Public Realm project which is also progressing to full business case through the Tarbert and Lochgilphead Regeneration Fund.

If creative industries are developed on this site, which is one of the proposed uses, then this could link into the CHArts project which is aiming to promote creative industries across Argyll.

### Support for other initiatives

The redevelopment of the former Gleaner site and environmental improvements are included within in an Area for Action allocation contained within the Local Development Plan.

The project would support the proposals contained within the Crinan Canal Charrette Action Plan to develop a walking any cycling route from Ardrishaig to the Lochgilphead Joint Campus. It could also support the Ardrishaig Community Trust proposals for development of youth activities on the wider Gleaner site.

### SWOT analysis

The following outlines the main strengths, weaknesses, opportunities and threats associated with the redevelopment proposals.

#### *Strengths*

- The former Gleaner site is a unique coastal location which could be attractive for businesses and attract visitors to the area.
- Redevelopment of phase 1 will be a significant step forward in the remediation and improvement of this derelict site. It is hoped that it will be a catalyst for redevelopment of the Phase 2 Gleaner site which is also recognised as a blight on the local community.
- The redevelopment can strengthen Pier Square as a destination for residents and visitors of the area.
- Planning permission has been secured and work is underway to obtain building warrants.
- Additional jobs and educational opportunities will be created.
- Construction jobs will be supported/created in the delivery phase of the project.
- Scottish Canals have indicated that they would operate businesses from the location initially if an appropriate tenant cannot be secured, this minimises the risks of the buildings being left unoccupied.
- Scottish Canals are experienced in delivering capital projects of this scale.

#### *Weaknesses*

- A full funding package is still to be secured.
- Phase 1 will only deliver redevelopment of part of the site and this is not the most prominent and therefore the visual impact benefits of the redevelopment will be limited.

#### *Opportunities*

- 950,000 vehicles travel along the A85 annually between Ardrishaig and Tarbert which offers an opportunity to encourage visitors to stop and explore the local area.
- The project offers the opportunity to enhance local facilities.
- There is an opportunity to improve the visitor experience for those stopping in Ardrishaig and hopefully increase the time and money spent in the local area.
- A food and drink and creative industries focus offers the opportunity to support local suppliers.

### *Threats*

- If all the sources of external funding cannot be secured before the end of 2017 then this will put the project at risk given the need for RCGF to be drawn down within the 2017-18 financial year.
- Focusing development on Pier Square may be detrimental to Chalmer's Street which is currently the main shopping area for Ardrishaig and has also suffered from decline.
- There is a risk that additional contamination could be discovered, in addition to that confirmed through the site investigation.
- The site will remain within the flood plain, although mitigation measures are proposed to help protect and flood proof the development.

### Economic impact/Jobs

Canal users currently spend approximately £285,000 during their use of the Crinan Canal. Assuming that just 1% of the passing visitors stop at the site with an average spend of £20 per car and £125 per coach then this could generate more than £250,000 spend in the local economy.

It is forecast this project will provide 10 FTE construction jobs and 12.5 FTE jobs once it is operational.

### **Governance Review**

Scottish Canals, a Scottish Public Body, is the operating name of the British Waterways Board. The British Waterways Board was established by the Transport Act 1962 to manage and maintain the inland waterways. By virtue of the Scotland Act 1998, responsibility for the inland waterways in Scotland was devolved to the Scottish Parliament and was designated as a cross-border public authority under the Scotland Act 1998 (Cross-Border Public Authorities) (Specification) Order 1999.

In October 2010 the UK Government decided that the British Waterways Board's functions and assets in England & Wales would transfer to a new waterways charity, Canal & River Trust ("CRT"). Scottish Ministers decided to make no changes to the arrangements for the ownership, care and maintenance of the Scottish canals. This transfer is enabled by the Public Bodies Act 2011.

The British Waterways Board (Transfer of Functions) Order 2012 ("the BW Order") provides for the transfer of the British Waterways Board's functions in England & Wales to CRT. The BW Order also removed England & Wales operations and UK Ministers' powers in relation to the organisation to allow the British Waterways Board to continue to operate effectively in Scotland on a self-standing basis, without involvement from UK Ministers. The BW Order also removed the British Waterways Board's status as a cross-border public authority.

The British Waterways Board Transfer Scheme 2012 ("the Transfer Scheme") came into force in conjunction with the BW Order. It divides and transfers the property, rights and liabilities of the British Waterways Board between the CRT, the Canal & River Trust Community Interest Company – Canal & River Trading CIC – and the British Waterways Board, operating as Scottish Canals.

Scottish Canals, received all of the property, rights and liabilities relating to the activities

of the British Waterways Board in Scotland as well as a portion of the British Waterways Board's cross-border contracts. The division of assets between the CRT and Scottish Canals was agreed by the UK Government and the Scottish Government through a disaggregation process. The draft Transfer Scheme was also made available to the Scottish Parliament during their consideration of the Transfer Order. The Scottish Parliament gave its consent to the draft Transfer Order on 9th May 2012.

The project has been approved by the Scottish Canals Executive Project Board. This commits SC to contributing £150,000 so far. Scottish Canals has contributed £25,000 in fees already to the project and has committed to raising a further £30,000 through fundraising activities with our partner charity Scottish Waterways Trust. Further Project Board approvals will be sought as the project progresses.

## Financial Review

### Costings

The development and delivery phase of the project is expected to incur costs of £1,505,000 which will be funded by a variety of sources.

Item	Cost £
Egg Shed	225,995
New Build	319,140
Garage refurb	15,000
External Works	86,515
Service connections	40,000
Site abnormalities	243,892
Public Real and Access	73,920
<b>Sub Total</b>	<b>1,004,462</b>
Statutory Consents	5,000
Prelims 15%	150,669.30
Contingency 10%	115,513
Inflation 7%	69,335
<b>Construction Total</b>	<b>1,340,000</b>
Design Team Fees 15%	150,000
Detailed Site Investigation	15,000
<b>Total £</b>	<b>1,505,000</b>

*Table 2.1 – capital project development costs*

These costings have been developed in consultation with the design team quantity survey but will only be confirmed as the tenders are received and the project progresses.

## Funding

The table below indicates the funding currently expected/being sought for the delivery phase of the redevelopment project:

<b>Funder</b>	<b>Figure</b>	<b>Confirmed/ expected/ applied for</b>	<b>Date expected/ confirmed/ to be applied for</b>
Scottish Canals / Scottish Waterways Trust	£190,000	Confirmed	
Argyll & Bute Council	Up to £250,000	In principle approved	Decision MAKI Committee 6 Dec Decision ABC P&R Committee 8 Dec
Regeneration Capital Grant Fund	£580,000	Approved by Scott Govt.	
SUSTRANS	£180,000	Applied for	Decision Nov 2017
LEADER	£300,000	Applied for	Decision Nov 2017
Ardrishaig Community Trust	£5,000	In principle approved	Decision Oct 2017
<b>Project total</b>	<b>£1,505,000</b>		

Table 2.2 – Funding

In addition to the above Scottish Canals has also invested £25,000 in feasibility costs to get the project to this stage and will commit to Project Managing the project's delivery as an additional benefit-in kind to an estimated value of £20,000.

## Operating business plan

No ongoing business plan has been provided however if the units cannot be let Scottish Canals have indicated that they would take on the operation of the units if a third party lessee could not be secured.

## **Deliverability/Risk Review**

### Business Plan

A capital business plan for the redevelopment project has been prepared and has been used to inform this assessment. Scottish Canals hope to let the units once they have been completed but have indicated that they will operate themselves should occupiers not come forward immediately..

### Project delivery

The redevelopment project will be delivered by Scottish Canals, who have experience of successfully delivering large scale regeneration projects. They will be supported by a design team, lead architects are Oliver Chapman Associates, who will project manage the delivery of the construction. The project manager at Scottish Canals will handle programme management, funding, reporting, claims and finance throughout the delivery of the project.



### Timescale for delivery

It is expected that the outstanding funding decisions will be made in October and November. Subject to this and other funding applications being successful, it is hoped that the construction should commence on site in March 2018 with work continuing through 2019. Construction is expected to be completed within 8 months so that the operational phase of the development will commence in November 2018.

<b>Key Project Tasks/Milestones</b>	<b>Date Expected</b>
Planning Consent	Sept 2017 - granted
Sub Structure and Superstructure Warrants submitted	Nov 2017
Funding package finalised and approved by all partners	8 Dec 2017
Tender for Work	Dec 2017 – Jan 2018
Planning / Building Warrants approved	Jan 2018
Appoint main contractor	Feb 2018
Mobilisation / start on site	Feb 2018
Construction period (8 months) complete	Mar 2018
Tenant Fit Out	Oct 2018
Venue operations commence / open to public	Nov 2018
Walkways / public realm / access improvements completed	Nov 2018

*Table 2.3 – Key project tasks/milestones*

### Risks

Scottish Canals have identified risks associated with the redevelopment project in a risk register attached to the full business case. The likelihood and impact of risks have been identified along with mitigation measures.

Whilst these procedures have been put in place there still remain some significant risks associated with the project. The principal at this stage is in relation to the funding of the project and the timescale for delivery. The RCGF funding secured in March 2017 is required to be spent within the 2017/18 whilst the other funding is still to be secured. Significant activity is required by the design team to ensure that all of the information is available to enable these funding bids to proceed and for the tender to be commenced in line with the timescale stated above. Failure to sign a contract and mobilise on site by the end of the 2017/18 financial year will likely lead to the loss of the RCGF contribution to the project and will put the whole proposal in jeopardy.

Other identified risks include that

- development management may object to any changes proposed as the project develops;
- construction may discover site contamination which was not identified through the site investigation;
- services may not have the capacity to accommodate the development, although a services search has been undertaken and the location of these is known;
- Flood risk although SEPA did not object to the proposals and mitigation is proposed;

Standard risks associated with a construction project exist. Once construction commences there will be risks associated with health and safety, unscheduled delays and unexpected site conditions.

There are however also risks associated with the project not proceeding. It is not expected that the project could be delivered without funding support and therefore the site would remain as a derelict and vacant location. Further decline could occur and the appearance of the site would continue to blight the local environment. Furthermore, there has been a history of public consultation within Ardrishaig and local residents are eager for action to be demonstrated failure to deliver change could damage relationships between Scottish Canals and the local community and also have negative consequence for the Council.