
**TRANSFORMATION PROJECTS & REGENERATION TEAM – LARGE SCALE
PROJECT UPDATE REPORT**

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update the Environment, Development and Infrastructure 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. Previously the reporting route was through Policy and Resources Committee however it was agreed that this be changed to the Environment Development and Infrastructure Committee.
- 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 Environment, Development and Infrastructure Committee:-
 - 1. Consider the current progress contained within the report

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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.
- development and delivery of a number of charrettes/Making Places projects 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, Creative Industries and Renewables sector,
- working with communities and key partners to deliver physical and economic regeneration,
- support to third sector organisation involved in the delivery of their own individual regeneration projects as well as support to third sector organisation working across the film, renewables and creative industries sectors,
- support to third sector organisations in the form of advice and support including funding, acting as the key point of contact within the council, and provide support to communities through the asset transfer process,
- overseeing events and festival grants

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 Ardrishaig Gleaner Oil Site. In addition, managing and monitoring the approved RCGF grants (2017/18) for the Tobermory Light Industrial Site, Ardrishaig Gleaner Phase 1 site and the recently approved RCGF grants (2018/19) for Cairndow Community Childcare and Family Centre and The Rockfield Centre.

- 2.3 The paper also reports on key issues that will impact on the current status of the delivery of these projects.

3. RECOMMENDATIONS

- 3.1 It is recommended that the Environment, Development and Infrastructure Committee:-

1. Consider the current progress contained within the report

4. DETAILS

- 4.1 **Progress** – Progress in relation to the projects is as follows.

4.1.1 **Campbeltown Conservation Area Regeneration Scheme (CARS) – (1st April 2015 – 31st March 2020) - Project Status – GREEN**

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 refurbished Town Hall and the redevelopment of the Main Street/Cross Street building.

The project budget is £2,293,048 and includes funding from Historic Environment Scotland, Argyll and Bute Council, surplus CHORD monies, Private Sector Housing Grant and private owner's contributions. There is a dedicated project officer in post to deliver the project and the majority of funding is now committed.

To date two priority building repair projects have been completed at 10-20 Longrow South and 9-15 Longrow South. This work safeguarded 5 businesses and 8 homes and led to 2 vacant commercial units being re-opened as a restaurant. A total of 23 jobs (part-time and full-time) have been saved and 5 new jobs have been created.

The third priority building at 10-14 Main Street (McLean Place West) is due to be completed in May 2018. The total project cost is £399,827 includes CARS grants of £177,187. This will lead to 3 commercial units and 4 flats being brought back into use.

Work started at 22-30 Main Street/2-8 Longrow South on the 30th April and will last six months. This is the largest project in the scheme with a total project cost of £625,421. There are 21 separate units and the owners have deposited over £100,000 in their Owners Association bank account as their contribution to the costs.

The amenity deck project at the rear of 1-21 Longrow South / Main Street

/ Union Street is due to start on site on the 14th May. This project is being led by Housing Services and involves 21 flats and 9 commercial units supporting 19 full time and 14 part time jobs. The replacement deck will safeguard the future of these businesses and lead to the re-opening of a prominent bar/restaurant.

A further 2 priority building projects at 3 Longrow South and 44-48 Main Street are currently being developed for site starts in October 2018 – subject to approval of all funding.

Three small grants have been completed including 2 window repair projects 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.

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.
- The delivery of an education project in partnership with the Walking Theatre Company and Castlehill Primary School. Primary 7 pupils produced a short film that explored the history and heritage of Campbeltown.

Following an extensive procurement process a specialist training provider has just been appointed to deliver 5 one-day traditional skills training events in Campbeltown during 2018 and 2019. The course topics have been selected following a survey of local contractors and building professionals.

4.1.2 Hermitage Park, Parks for People Project, Helensburgh – (1st May 2016 – 30th April 2021 - Project Status – GREEN

This £3.5m project is in the middle phase of capital delivery which is expected to complete in autumn 2018 followed by an official launch.

Lot one, for build of the new pavilion has completed detailed design and is designed to Passivhaus standards, which will make it the first Passivhaus public building in Scotland. The new pavilion will include a café with 50 covers inside and a further 10 outside within a covered terrace, commercial kitchen, kiosk, public toilets, a community room and

an office. The café, kiosk, public toilets will be advertised for lease in May 2018.

Lot two, for landscaping and conservation works, will complete main works in 2018 and will return to landscape the external pavilion elements when the pavilion is completed in autumn. The park will close for path surfacing and seeding of grass for the proposed dates of June and July 2018. This will be followed by a soft opening of the park for visitors to use the amenity spaces and facilities, prior to the pavilion completion.

In addition, the pedestrian and cycle traffic light crossing on Sinclair Street was completed on 27th September 2017.

The project is in construction phase and there is a need to continually review the budget against costs and work closely with the design team, contractors and funders to manage any changes required and associated impacts on the budget.

Delivery of the five year activity plan continues until 2021. Over the past two years there have been £31,000 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 manager post will play a key role in the successful delivery of the activity plan and interviews for this post will take place in late May 2018.

Officers working with the Friends of Hermitage Park have continued to raise external funds for elements of the project that were constrained by available budgets. In particular, the Friends have been successful in their first round application to NESTA Rethinking Public Parks programme, and are the only successful project application from Scotland. If successful this would release £200k of funding to develop a Hermitage Park endowment fund.

The project continues to attract positive press and the Friends keep the community updated through their facebook pages #Helensburgh Hermitage Park and with regular articles in the Helensburgh Advertiser and Community Advertiser.

4.1.3 Rothesay Townscape Heritage (TH) Phase 2/CARS – (1st October 2017 – 30th September 2022) - Project Status - GREEN

Following the successful delivery of the first Rothesay TH/CARS, we are currently involved in the delivery of the Rothesay TH/CARS stage 2. This is a heritage-led regeneration project that will be delivered over a five year period between 1 October 2017 and 30 September 2022. The partnership project is funded by HLF (£1,888,500), HES (£500,000), Argyll and Bute Council (£200,000), HIE (£70,249), LEADER (£65,800) and Paths for All (£21,500), with a total project fund of £2,746,049 to be administered as grant to property owners in order to safeguard historic buildings, and as project costs for skills development and community engagement projects. Project staff are fully funded through the project,

with an admin finance officer taking up post in November 2017 and a project officer taking up post in January 2018.

The project aims to comprehensively restore four tenements, as well as the roof of the category 'A' listed visitor centre, whilst also providing grant for smaller scale repairs, window improvements and to run a concurrent shopfront improvement programme. The project was officially launched on 3 March 2018, with three community events having been held to date.

4.1.4 Inveraray CARS – (1st April 2013 – 31st March 2018) **Project Status - GREEN**

Inveraray Conservation Area Regeneration Scheme (CARS) concluded on 31st March 2018, having been delivered over a 5 year period. The total project value was £2,141,516. Five priority building projects were completed: Arkland, Relief Land, Chamberlain's House, Old Temperance Hotel and the Town House covering a total of 47 properties. These projects delivered major repair and conservation works and were run in coordination with technical teams representing private owners and ACHA as well as their design team. 6 small repair grant projects were completed covering a total of 12 properties. These projects covered both residential and commercial properties and helped to halt the decline of buildings safeguarding homes and businesses.

Inveraray CARS supported the Community Company – Inspire Inveraray and grant-funded an options appraisal for the old Community Hall which was then acquired by Inspire Inveraray. 20 training and community engagement events were directly hosted by Inveraray CARS. 143 people participants in Inveraray CARS training and community events. Many more also took part in CARS-supported community initiatives such as Community Company open days, Doors Open Days, Community Visioning events etc. Inveraray CARS has also supported a project called Written in the Landscape that has helped to train local volunteer archivists, conserve archival documents relating to Inveraray Old Town and produce a podcast dealing with the history of the old town.

4.1.5 Dunoon CARS – (1st April 2017 – 31st March 2022) **Project Status - GREEN**

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.

Dunoon CARS officially launched on the 16th of September 2017. The 5-year project will: 1) deliver a programme of building repairs to historic buildings; and, 2) deliver a programme of learning, skills development and engagement to sustain project benefits and enable the local community to celebrate Dunoon's heritage. Work with the owners of 11

properties has begun, and 75 people have actively participated in 2 events held to date.

4.1.6 **Culture, Heritage and Arts (CHArts) and the Place Partnership Plan (PPP) Project – (1st October 2017 – 30th September 2019)**
Project Status – GREEN

The information below provides a short summary of the project and work to date. A more detailed update report on this project has been prepared and will be considered by members at the ED&I committee

The PPP project is, in the main, delivered through consultancy services, directly managed by Argyll and Bute working alongside CHArts to ensure that the PP has the sector's needs at its core. Relationships with relevant council departments/teams and organisations such as Business Gateway, Argyll and the Isles Tourism Co-operative and HIE Creative Industries Team have been established to ensure joint working and best use of resources. After a successful tendering exercise ICA and Associates were awarded a two year contract which runs from 1st October 2017-30th September 2019.

Community benefit as part of this contract includes;

- Five graduate placements for approx. three months @ two days per week or compressed (paid in line with Glasgow living wage recommendations)
- A suitable number of pupil traineeships amounting to four weeks in total (to be determined as the project progresses).

Work to date has focussed on collecting sectoral data to update the baseline produced as part of the Argyll and the Isles Culture, Heritage and Arts Strategy, March 2014, the capacity building of the nine geographical representative hubs, developing relationships with key stakeholders, and the development of three further procurement elements namely; a) website, b) development of creative opportunities along a long distance route, and c) live streaming as part of a showcase event to take place at the conclusion of the project.

Results from the **CHArts Baseline Review and Summary (February 2018 draft)** show that the sector has grown between 2013 and 2017, demonstrates the importance of creative industries within our rural areas and that most people work across a variety of disciplines. It should be noted that the true value of the sector is far greater than the data based on VAT registration thresholds, as many of the sector are micro-businesses, sole traders, freelancers and volunteers.

4.1.7 Tarbert and Lochgilphead Regeneration Fund – Project Status – GREEN

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 ratified the decision separately at the committee meeting on 19 October 2017.

On 6 December MAKI recommended that P&R allocate the maximum grant funding of up to £250,000 to the Gleaner Phase 1 and that delegated authority be afforded to the Executive Director of Development and Infrastructure Services to confirm the final grant amount. P&R Committee agreed to these recommendations on 8 December

On 7 March 2018 MAKI recommended P&R approve the full business case for the proposals for the Tarbert Harbour Authority Shore Side Facilities and that delegated authority be afforded to the Executive Director of Development and Infrastructure Services to confirm the details of the grant agreement. Policy and Resources Committee will consider this at the committee meeting on 24 May 2018

Design works have commenced on the Barmore Road junction.

Procurement processes are being progressed for the appointment of the design team for Lochgilphead Front Green and Public Realm and Ardrishaig Public Realm projects. It is anticipated that the design team for Lochgilphead will be formally in place in July.

4.1.8 Regeneration Capital Grant Funding (RCGF) Project Status – AMBER

NVA St Peter's Seminary – The project is being reprofiled and we currently have £162,972 of RCGF monies still sitting with the Council. £487,028 has been drawn down to date. Discussions are currently ongoing with NVA and RCGF in regards to the project and an update will be provided to members at the committee meeting.

Ardrishaig Gleaner Phase 1 Site – Scottish Canals began works, week commencing 15th April. £116,149 of the RCGF funding has been drawn down to date, with a further £463,851 to be drawn down as construction progresses.

Tobermory Light Industrial Site – Construction began on 19th March. £117,278 of the RCGF funding has been drawn down to date, with a further £1,482,722 to be drawn down as construction progresses.

Oban North Pier - All RCGF funds have been drawn down for this project and the project is now complete.

In March 2018 we were advised that we were successful in securing over £1.2 million of RCGF (2018/19 award) for 2 projects: the Cairndow Community Childcare & Family Centre (£811,298) and The Rockfield Centre (£420,000). We are currently awaiting the formal grant offer contracts from the Scottish Government.

- 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 proof of all the necessary information has been provided to the external funders. Each funder has a different criteria against which they measure delivery and the council has entered into formal grant contracts with all the funders involved.

5. CONCLUSION

- 5.1 The council currently has a total of three CARS/TH schemes in progress. Inveraray CARS having just finished on 31 March. The total value of these three 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.
- 5.2 A significant number of building owners (commercial and residential) have and continue to benefit 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.
- 5.3 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.
- 5.4 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.

- 5.5 The successful delivery of the projects requires close working with the respective owners, both residential and businesses, to provide support and guidance and 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.
- 5.6 This also applies to our role in delivering council capital projects and in managing and monitoring council grant funding to third part projects including RCGF grants which require that the council oversee the project and report and submit claims to RCGF.
- 5.7 It is worth noting that funding streams such as RCGF are only open to the local authorities and cannot be accessed by other bodies. In regard to CARS/TH funding whilst this can be accessed by other bodies given the requirements that need to be met and the large sums of funding involved, it is predominantly councils who access these funding streams.

6. IMPLICATIONS

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| 6.1 POLICY | The delivery of these projects fits with the Council's Corporate Plan, Argyll and Bute Local Outcome Improvement Plan and the Economic Development Action Plan. The economic outcomes from this project will contribute to the Government's Economic Strategy. |
| 6.2 FINANCIAL | All funding has been approved for the projects detailed in the report. The funding comes from the council and from external funding sources, the latter making up the majority of the funding. |
| 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 | The resources required to deliver the projects will be continually monitored. |
| 6.5 EQUAL OPPORTUNITIES | There are no equal opportunities implications. |
| 6.6 RISK | Construction projects by their very nature are challenging given issues that can arise relating to site conditions, managing contractors/the design team and associated budgets and meeting funders requirements. We continually seek to minimise the |

risk through strong project management processes however until the projects are fully delivered on site there remains a risk. Other areas of risk relate to the potential for limited uptake in regard to CARS/TH grants and also over-run on costs for third party projects but this will be managed through proper project managing and monitoring.

6.7 CUSTOMER SERVICE There are no customer service implications.

Executive Director Development and Infrastructure Services: Pippa Milne

Policy Lead: Councillor Aileen Morton

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