

---

**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. The last update report was considered by Environment Development and Infrastructure Committee on Thursday 7<sup>th</sup> June 2018.
- 1.2 The paper also highlights the 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

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

---

## **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 organisations involved in the delivery of their own individual regeneration projects as well as support to third sector organisations 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 providing support to communities through the asset transfer process,
- overseeing the council's strategic events and festival Service Level Agreements and associated grants for 2018 and set up and administer a new application process for 2019.

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 which is now complete and operational, Kilmartin Museum Redevelopment which has still to commence on site, Ardrishaig Gleaner Oil Site Phase One which is on site and Dunoon Boxing Club have had to postpone their start date due to contractor issues, work is unlikely to commence on site until

early next year. 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 in Oban. See Appendix A for the full list of projects.

- 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) – (1<sup>st</sup> April 2015 – 31<sup>st</sup> 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 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. The third priority building at 10-14 Main Street (McLean Place West) is 95% complete and the scaffold has been removed. Work is progressing well at 22-30 Main Street/2-8 Longrow South, this being the largest priority project involving 21 separate units and total project costs of £625,421.

The amenity deck project at the rear of 1-21 Longrow South / Main Street / Union Street is almost completed. 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 homes and businesses.

The final 2 priority building projects at 3 Longrow South and 44-48 Main

Street started on site in November.

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;
- A 'Drones Awareness Day' showing the abilities of Drones for building surveys.
- Over 20 delegates are booked on the 'Dampness in Traditional Buildings' seminar.
- 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.
- We are in the process of delivering five one-day traditional skills training courses for local contractors and building professionals. Topics include; Lime Awareness, Roofing and Internal Plasterwork. To date events have been well attended and delegate feedback has been excellent

#### 4.1.2 **Hermitage Park, Parks for People Project, Helensburgh – (1<sup>st</sup> May 2016 – 30<sup>th</sup> April 2021 - Project Status – AMBER**

This £3.5m project is for the heritage-led regeneration of Hermitage Park. The project is in the final phase of capital delivery which is now expected to complete in spring 2019.

Lot One, the new Passivhaus Pavilion, has a revised completion date of December 2018 due to a potential 11 week delay. The Pavilion lease is currently being advertised and has received lots of interest. A closing date for this will be set in line with the Pavilion completion.

The Lot Two landscaping and conservation contractor completed their first phase of works and will return to landscape the external pavilion elements in January 2019, when the pavilion is completed. This is expected to take at least eight weeks. The first phase included: drainage, upgrading paths, bridges, installation of lighting, restoration of memorial garden including walls, monument, Hermit's Well and consolidation of the mill remains; reconfiguration of the park including creation of the

demonstration garden, sundial, footprint of the former Hermitage House, interpretation signage and installation of the play park near to the new pavilion. The play park opened in July 2018, and the first few hours were given to our young competition winners who had exclusive use of the play equipment. This event generated positive publicity and feedback shows that the most used words to describe the play park are fun and brilliant.

The project is in the 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. At this point in time there is a projected additional budget requirement for the construction phase based on anticipated costs. Once costs are confirmed a report will be prepared and brought before members.

Delivery of the five year activity plan continues until 2021. Up to 31<sup>st</sup> July 2018 there have been £42,641 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. Officers, working with Hermitage Academy, were successful in a bid to HLF Year of Young People for £10k to enable pupils to volunteer once a month for 18 months to enhance the curriculum and to assist with development of the demonstration garden in the park. The assistant park manager was appointed and began work in August 2018 and will play a key role in the successful delivery of the activity plan. The work plan focus for late October/early November was on preparing the memorial garden for Armistice Day on Sunday, 11<sup>th</sup> November.

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. Unfortunately, the Friends were not successful in their second round application to NESTA Rethinking Public Parks programme and continue to look at ways to raise money 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 – (1<sup>st</sup> October 2017 – 30<sup>th</sup> September 2022) - Project Status - GREEN**

Rothesay TH is a heritage-led regeneration project that will be delivered 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 shopfronts. Project staff are fully funded through the project to deliver the

programme over a five year period.

Although the project is primarily a physical regeneration project, it is also a community initiative that seeks to facilitate skills development and host events to celebrate the island's heritage. In addition to this, the project is seeking feasibility analysis on enhanced wayfinding and active travel measures, and on audience development to support the tourism potential of Bute. Furthermore, the project is funding Bute Island Alliance to open the *Bank: Enterprise Space*, a popup shop and co-working space, to support the growth potential of local businesses. The former Clydesdale Bank premises has been secured for this purpose and is due to open in November 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 six events having been held to date including the Conservation Area Regeneration Scheme officers annual conference.

Tenders have thus far been returned for the comprehensive repair of 73/77 Victoria Street and for roof repairs to the Winter Garden's Discovery Centre both of which are expected to go on site in the latter part of 2018/early 2019.

#### 4.1.4 **Inveraray CARS – (1<sup>st</sup> April 2013 – 31<sup>st</sup> 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. Auditing and submission of final report to funders is underway in October 2018.

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. Officers working with Inspire Inveraray have continued to raise external funds to take forward the redevelopment of the Community Hall. 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.

The Inveraray Avenue Screen project is being delivered outwith the main Inveraray CARS and following two unsuccessful procurement processes a tender has now been awarded and works are due to start on site in January 2019.

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

Dunoon CARS is a heritage-led regeneration project that is concentrated on Dunoon's town centre. The budget includes £1,002,348 from Historic Environment Scotland and £500,000 from Argyll and Bute Council. A fully funded project officer is employed to deliver the project over a five year period from 1 April 2017 to 31 March 2022.

The project seeks to deliver a programme of building repairs to historic buildings whilst simultaneously delivering a programme of learning, skills development and engagement to sustain project benefits and enable the local community to celebrate Dunoon's heritage.

To date, planning permission has been sought to restore three shopfronts. The comprehensive works of repair to a priority property will be tendered in the latter part of 2018 and a contract has been awarded to support enhanced merchandising in an effort to encourage greater foot fall on Argyll Street.

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

The PPP project to maximise the potential of the sector is mid-way through the two-year contracted period which ends 30<sup>th</sup> September 2019. CHArts now has a 300 strong on-line membership who share information, opportunities and potential joint projects and the steering group continues to work with strategic partners such as Business Gateway, AITC, HIE, Creative Scotland and others. Work in the last 6-month period includes the following;

- Draft business and funding plan developed
- CHArts constitution agreed and bank account opened
- Mission and branding agreed

- Visual branding developed and two options out for consultation to CHArts members (this has involved working with students at Argyll College)
- Website ITT evaluation in progress
- Development, Design and Marketing of Tourism Packages along a Long Distance Route ITT issued and a deadline for returns of 26<sup>th</sup> October 2018 (National Cycle Route 75 from Dunoon to Portavadie, and National Cycle Route 78 from Tarbert to Appin with links to other routes in close proximity namely, The Cowal Way, Taynish Art Trail, The Kintyre Way and The Caledonian Way.)
- A number of training events have taken place and further training is being developed in partnership with HIE Creative Industries.
- Submission of CHArts information to the Scottish Government Cultural Strategy for Scotland - Draft for Consultation.
- Input into the Traditional Music and the Rural Creative Economy in Argyll and Bute Mapping Report 2018 (Hard copies of this document are available by request).

Please see <https://explorechartsargyllandisles.org/> for up to the minute information.

#### 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 Area Committee and Policy and Resources Committee agreed to shortlist 11 projects for further consideration.

These 11 projects were then subject to outline business case assessment and further scoring. On 6 September 2017 the Mid Argyll Kintyre and Islay (MAKI) Area Committee agreed to the final 6 projects that would go forward to full business case stage. The Policy and Resources (P & R) Committee ratified the decision separately at the committee meeting on 19 October 2017.

On 6 December 2017 the MAKI Area Committee recommended that the



P&R Committee 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. The P&R Committee agreed to these recommendations on 8 December 2017.

A grant of £125,000 was awarded to Tarbert Harbour Authority on the 12<sup>th</sup> July 2018, following consideration by the MAKI Area Committee and P & R Committee of the associated Full Business Case, to part-fund stages 2-4 of the shore side facilities project. This involves the refurbishment of the existing wash facilities building followed by the removal of the temporary buildings which house the office and chandlery. Work is expected to start on site in November following completion of the new wash house and laundry block (stage 1).

The second grant award to Tarbert Harbour Authority to extend the car park is reliant upon the upgrade of the Barmore/Garvel Road junction. The preliminary design work for the junction project has been completed and the detailed design work is progressing well.

ERZ Ltd have now been appointed as the lead design consultant who will head the multi disciplinary design team for the Lochgilphead Front Green and Argyll Street/Cochester Square projects (LA10 and LA11). ERZ Ltd achieved the highest score in both the quality and commercial elements of the procurement process. An inception meeting with ERZ Ltd. has been arranged for the 10<sup>th</sup> December in Whitegates where the project programme will be finalised.

The Mid Argyll Local Members, the Lochgilphead Community Council and the Lochgilphead Phoenix Project have been updated on the appointment of the design team and they have been invited to meet with the design team on the 10<sup>th</sup> December following the inception meeting.

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

Discussions are still on going with RCGF in regard to the RCGF grant award to NVA and the redevelopment of Kilmahew/St Peters.

Ardrishaig Gleaner Phase 1 Site – Scottish Canals began works, week commencing 15<sup>th</sup> April 2018. The project is due for completion February 2019. The table below highlights the drawdown to date against the total RCGF award. £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 – Mull and Iona Community Trust (MICT) appointed a contractor and construction began on 19<sup>th</sup> March 2018 however due to issues relating a planning condition and the need for a road construction consent the project was put on hold for 4 months. This has caused a significant delay in MICT progressing the

delivery of their project as per the original timeline. The contractor has now started back on site. The table below highlights the drawdown to date against the total RCGF award. In light of the delays a request to reschedule the drawdown and repayment of an agreed cash flow support loan has gone forward to December P&R meeting.

Oban North Pier – This is a council project and all the RCGF funds have been drawn down for this project and the project is now complete. The 12 month post completion final report is due to be submitted to RCGF end of November 2018. In March 2018 the council was advised that it was successful in securing over £1.2 million of RCGF (2018/19 award) for 2 projects: the Cairndow Childcare project has started on site and is in the process of drawing down the RCGF funding, first RCGF claim is expected November 2018. The Rockfield project currently has a short fall in funding but have submitted a LEADER application which will be decided on 6<sup>th</sup> December. Latest update suggests contract award January 2019 and start on site thereafter, subject to a successful LEADER application.

<b>Project Name</b>	<b>Grant Awarded</b>	<b>Year Awarded</b>	<b>Balance Remaining to Drawdown</b>
Kilmahew / St Peters	£650,000	2016/17	£162,972.29
Oban Maritime Quarter – Transit Berthing Facility	£700,000	2017/18	£0
Ardrishaig Waterfront – Maritime Hub Phase 1	£580,000	2017/18	£320,282.72
Tobermory Light Industrial Park	£1,600,000	2017/18	£1,163,130.17
Cairndow Community Childcare & Family Centre	£811,198	2018/19	£811,198
The Rockfield Centre	£420,000	2018/19	£420,000

- 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 2018. 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 and in turn into many of our main town. Many of these owners would have been unable to undertake these repairs without grant assistance and their properties would have continued to deteriorate. Had this deterioration continued the council may well have had to step in to undertake emergency work to these buildings.
- 5.3 This investment has changed the physical 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 the Scottish Government RCGF team. The council is not the body responsible for delivering the majority of the RCGF projects. Our role is one of managing the grant and the biggest challenge is to support the third party organisations in the delivery of what are often complex and challenging projects whilst ensuring that the project delivery and grant draw down remains on track.
- 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**

- 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. The management of these externally funded projects as well as the management of the Council and RCGF grants requires a significant amount of resources from the team to ensure that all the necessary due diligence and financial management is undertaken and the risk is minimised to the council.
- 6.5 EQUALITY/FAIRIER SCOTLAND DUTY 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. In regard to the latter this is a high risk particularly as the council is not the responsible

body for the projects or their delivery.

6.7 CUSTOMER SERVICE There are no customer service implications.

**Executive Director Development and Infrastructure Services:** Pippa Milne

**Policy Lead:** Councillor Aileen Morton

October 2018

**For further information - please contact** Audrey Martin, Transformation  
Projects and Regeneration Manager  
Economic Development and Strategic Transportation.  
Tel 01546 604180

Appendices

Appendix A – Council and externally funded projects and grants managed by  
the Team

<b>Externally Funded Projects</b>	<b>Project Value / Grant Secured</b>	<b>Delivery Start</b>	<b>Delivery End</b>
Dunoon CARS	£1,889,430.00	2017	2022
Rothesay TH2	£3,201,430.00	2017	2022
Inveraray CARS – Additional Avenue Screen Project	£200,000	2018	2019
Campbeltown CARS	£2,400,000.00	2015	2020
Tarbert Lochgilphead Regeneration Fund	£3,000,000.00	2018	
Hermitage Park	£3,500,000.00	2016	2020
NVA RCGF	£163,000.00	2016	2018
Tobermory Light Industrial Park RCGF	£1,600,000.00	2017	2018
Gleaner Oil site (RCGF)	£580,000.00	2017	2018
Cairndow Childcare & Family Centre RCGF	£811,298.00	2018	2019
Rockfield Centre RCGF	£420,000.00	2018	2019
CHArts Place Partnership Plan	£360,000.00	2017	2019
Making Places Helensburgh	£30,000.00	2018	2018
Duchess Wood Management Contract	£1,230.00	2018	2018
NVA Council Grant	£250,000.00	2016	2017
Kilmartin Museum Council Grant	£400,000.00	2019	2021
Dunoon Boxing Club Council Grant	£100,000.00	2018	2019
Events and Festivals grants (including Mod)	£151,871.00	2018	2019
<b>Total</b>	<b>£19,058,259</b>		