

---

**LORN ARC - UPDATE REPORT MARCH 2019**

---

**1. EXECUTIVE SUMMARY**

- 1.1 This report provides the Oban, Lorn and the Isles Area Committee with an update on progress in relation to key projects being taken forward through the Lorn Arc TIF. This report follows a recent update on the identification of project priorities and budget that was presented to members at the December 2018 meeting of the OLI Area Committee.

**2. RECOMMENDATIONS**

- 2.1 It is recommended that the Oban, Lorn and the Isles Area Committee:
- Note the paper.

---

**LORN ARC - UPDATE REPORT MARCH 2019**

---

**3. INTRODUCTION**

- 3.1 This report provides the Oban, Lorn and the Isles Area Committee with an update on progress in relation to key projects associated with the Lorn Arc TIF. This report follows a detailed update to the OLI Committee and the Policy and Resources Committee on the identification of key projects and the budget position in December 2018.

**4. RECOMMENDATIONS**

- 4.1 It is recommended that the Oban, Lorn and the Isles Area Committee:
- Note the paper.

**5. DETAILS****Status of Lorn Arc Projects**

- 5.1 **North Pier Extension:** work is continuing to maintain the North Pier prior to the summer season. It is not intended to make any further extension to North pier at this time given many of the initial outputs have been delivered utilising CHORD and third party funding. It is intended to report back to members of the performance of the pontoons following its first full season of operation at the next committee cycle. This will allow members to take a decision on how the pontoons will be managed in the future.
- 5.2 **South Oban Development Zone/Strategic Development Framework:** It is intended to bring to members attention a revised project initiation document (PID) for taking forward a Strategic Development Framework for wider Oban. This framework is considered essential to enable future economic growth in the town and address the infrastructure challenges. The PID has to be re-profiled due to staff capacity issues which are in the process of being resolved. Further meetings are however taking place with council officers and key public sector agencies to inform the evidence base of the Development Framework. This work will support the development of the emerging Argyll and Bute Local Development Plan 2 and the Rural Growth Deal.

- 5.3 **Oban Airport:** The Airport Business Park was placed on the open market in the summer. A limited number of offers have been received and they are being considered by council officers before being presented back to the area Committee for a decision on how to proceed. Recent discussions have also involved HIE in looking at how to address the constraints associated with the site.
- 5.4 New prominent entrance signs at the airport, funded through European funding, have been erected at airport.
- 5.5 **Dunbeg Lorn/ Kirk Road:** Work is nearing a conclusion on the improvement works to the Dunbeg Lorn/Kirk Road. An issue with the final tar treatment has been identified by council officers and this will need to be rectified before the project can be considered complete. These works will be the responsibility of the contractor and their sub-contractor to do at their cost and it is hoped that this will be completed by March.
- 5.6 Further works to the remaining length of road to the European Marine Science Park (EMSP), circa 170m of road, will be done by HIE as part of the future expansion of the EMSP. The design of this stretch of the road has been taken forward by the council's roads design service commissioned by HIE.
- 5.7 It should be noted the works by LINK to build 300 affordable houses are now well underway with the Housing Cabinet Minister visiting the site on the 21<sup>st</sup> of January to cut the first sod.
- 5.8 **Dunbeg Halfway House Roundabout:** An onsite meeting between council officers, LINK and commercial representatives took place in December with regard to the halfway roundabout at Dunbeg. At this meeting council officers reiterated the conditions established by the December decision of the Policy and Resources Committee. Firstly, the need for a robust business case demonstrating the generated Non Domestic Rates (NDR) arising from the development had the ability to pay back council borrowing. Secondly the need for appropriate legal agreements to provide sufficient certainty that these developments will proceed.
- 5.9 Information gathering on a number of different areas is now being undertaken with the onus being placed on private sector interests to comply with the requirements of the Policy and Resources Committee decision.

### **Future of Lorn Arc**

- 5.9 Council officers are looking to meet with representatives of the Scottish Futures Trust and the Scottish Government to discuss the future delivery of the Lorn Arc. As members are aware future expenditure on projects is dependent on pay back through Non Domestic Rates raised through delivered projects. Currently the Lorn Arc remains affordable and we are on track to pay back the debt incurred. There is also a need for the council to demonstrate that the original aims of the contract are being met which we are aiming to do by taking forward a limited number of key projects.

## **6. CONCLUSION**

- 6.1 The reports concerns an update on current projects for OLI members to note and consider. Officers are continuing to progress key projects within the context established by the decision of the Policy and resources Committee taken in December 2018. Officers intend to come back to the OLI Area Committee with further update reports as necessary.

## **7. IMPLICATIONS**

- 7.1 **Policy** - The delivery of this project fits with the Council's Corporate Plan, Local Outcomes Improvement Plan, Economic Development Action Plans (EDAPS) and approved Local Development Plan. The economic outcomes from this project will contribute to the Scottish Government's National Economic Strategy.
- 7.2 **Financial** – None arising from this report
- 7.3 **Legal** - Each project will have differing legal requirements; this will be laid out in each project's PID. No legal issues at Programme level.
- 7.4 **HR** - None.
- 7.5 **Equalities/Fairer Scotland Duty** - There are no equal opportunities implications.
- 7.6 **Risk** – All risks associated with the Lorn Arc project are closely monitored with regard to affordability and compliance with Government contracts.
- 7.7 **Customer Service** - There are no customer service implications.

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

**Policy Lead:** Aileen Morton.

March 2019

For further information - please contact:

Fergus Murray

Head of Economic Development and Strategic Transportation

Economic Development and Strategic Transportation,

Development and Infrastructure Services. 01546604293