

ARGYLL & BUTE
COUNCIL
FULL BUSINESS CASE FOR SERVICE DEVELOPMENT
PROJECTS

DEPARTMENT DIS **SERVICE** Economic Development

Project Name: Improvements to Barmore Road/Garvel Road Junction, Tarbert
 (T02)

1. Executive Summary:

The Argyll and Bute Council 2016-17 budget included an announcement of a £3 million area regeneration fund to be focused upon the Mid Argyll area. The main objective of the 'Tarbert and Lochgilphead Regeneration Fund' (TLRF) is to promote regeneration and economic development of the area with a focus on creating jobs, growing the population and/or stimulating private sector activity.

Improvements to the junction at Barmore Road and Garvel Road, Tarbert was one of the six projects selected to proceed to full business case.

The main objectives of this proposal are:

- To improve the safety of the junction and to regularise its arrangement to make it easier for vehicles to enter and exit Garvel Road in all directions.
- To remove constraints on development which currently affect Garvel Road due to the nature of the existing junction and thereby facilitate additional development. Development potential exists on land owned by Tarbert Harbour Authority and there may also be some small-scale potential for residential development.
- To allow Tarbert Harbour Authority to progress their proposals for development of their land, including the construction of a new car park and the possible creation of workshops and/or self-catering accommodation.

The project outcomes are expected to be:

- A safer junction which enables additional development of Tarbert Harbour facilities which would result in an increased number of people using the harbour area and spending longer resulting in an increase in footfall across the town.
- Addressing market failure/stimulating private sector activity: This infrastructure project would not be addressed by the private sector unless significant development land could be released, this is not expected.
- Environmental Regeneration: Potential for some improvements to this area.
- Supporting jobs: Could support jobs during the construction phase.

Under the do nothing option the existing junction arrangements would remain in place and the objectives of the T&LRF would not be met. This option would not deliver any improvements over the current situation and the restrictions on additional development along Garvel Road would remain. This will mainly impact Tarbert Harbour Authority's development plans for the vicinity. Existing maintenance of the junction is expected to continue with ongoing revenue implications.

Under the improved junction option a realigned junction would be provided where Garvel Road joins the A83 Barmore Road. This option would help to improve visibility and safety at the junction and would in turn enable further development to be accommodated along Barmore Road. The additional maintenance of the widened carriage way, embankment and additional pavement areas is negligible or nil.

The project is being delivered by the Transformation Projects and Regeneration Team in close conjunction with the Infrastructure Design Team who are responsible for the design works and supervision of the construction phase. The detailed design phase is nearing completion and the estimated costs for the project are £295,000. This is well within the total available budget of £410,000.

The capital works will be carried out by the internal Operations Team. This follows the completion of a Make or Buy Recommendation Report based on estimated costs prepared by the Network and Standards Team.

To accommodate the proposed junction improvements there is a requirement to purchase land from the Tarbert Harbour Authority and Scottish Fire and Rescue Service. The land acquisition process is being led by the Estates Section and agreement has been reached with both land owners.

A draft programme (See section 4) has been prepared that allows for capital works to be carried out between September and November 2019. The programme will enable Tarbert Harbour Authority to build a new car park that is available for use for the Scottish Series in May 2020.

2. Impact on Council Plans:

The project links directly to the Council's Corporate Plan:

As outcomes that also relate to national policy:

- Our Economy is diverse and thriving
- We have an infrastructure that supports sustainable growth
- People will live in strong and safer communities

As priorities

- We make the most of our assets to build the local economy
- We strengthen and empower our communities

Outcome 2 of the Council's Outcome Improvement Plan states that we have infrastructure that supports sustainable growth. The junction improvement will allow better use of infrastructure to promote the conditions for economic growth including the enhancement of the built environment and providing opportunities for further investment in community facilities and the possibility of investment in housing at the far end of Garvel Road.

The investments section of the Mid Argyll, Kintyre and the Islands EDAP highlights how investment in communities will in turn attract further business investment, stimulate economic activity and deepen access to the labour market across MAKI.

The project will support Local Development Plan AFA 13/1 Tarbert Harbour and Conservation Area Strategic; harbour improvements, regeneration and environmental improvements.

The project has already been subjected to a rigorous internal assessment process and has secured initial approval as noted below:

The Argyll and Bute Council 2016-17 budget included an announcement of a £3 million area regeneration fund to be focused upon the Mid Argyll area. The agreed main objective for the Tarbert and Lochgilphead Regeneration Fund (TLRF) is:

To promote the regeneration and/or economic development of the Mid Argyll area with a focus on creating jobs, growing the population and/or stimulating private sector activity.

The initial criteria for the fund were agreed by the Policy and Resources Committee on 12 May 2016. This was used to inform the consideration of proposed projects.

Following extensive public consultation a number of projects were proposed. In December 2016 the Mid Argyll, Kintyre and the Islands Area Committee considered an initial assessment of projects and selected 11 projects for further consideration. The MAKI decision was ratified by the Policy and Resources Committee on 15 December 2016.

On 6 September 2017, the Mid Argyll, Kintyre and the Islands Area Committee agreed the six projects which should proceed to full business case and this decision was ratified by the Policy and Resources Committee on 19 October 2017. This project was one of the six projects shortlisted.

3. Affordability:

As part of the approval process for the TLRF an allocation of up to £410,000 has been agreed for the project subject to the assessment of the full business case. The allocation was based on an initial estimate prepared by Roads and Amenity Services in 2017 and included £360,000 for construction works and £50,000 for design work and fees etc. There is no external funding involved.

Based on detailed design information, the Network and Standards Team have provided estimated construction costs. All other costs including; land acquisition, design, construction management and contingencies have been added taking the estimated total project cost to £295,000. The construction costs have been assessed as part of a Make or Buy Recommendation exercise. The report recommends that the works be delivered internally by Argyll and Bute Council internal Operations Team.

Wider junction mouth – It had been suggested that the wider junction mouth would result in an increased revenue costs for maintenance over the long-term. When considered in the context of the Argyll and Bute road network the additional cost are negligible or nil.

4. Deliverability/Work Schedule:

The main point of contact is the Transformation Projects and Regeneration Team (TPRT) in close conjunction with Roads and Amenity Services. Officers from various sections are involved in both the development and constructions phases. Project roles and responsibilities have been clearly defined.

Design Phase: Following a make or buy exercise in April 2018 Economic Development (TPRT) commissioned Roads and Amenity Services (The Infrastructure Design Team) via a Service Level Agreement to carry out the preliminary design work. On January 2019 an additional make or buy update report was approved for the Infrastructure Design Team to complete the detailed design. This stage is now nearing completion and includes; final drawings, further liaison with stakeholders, estimated costs from utilities providers and revised cost estimates for the construction phase. The total design costs incurred to date is £12,000. It should be noted that the design outputs have been accelerated to focus on updating the design documentation for estimation to support the project approval process. Some consultation elements are to be closed out but are not expected to materially affect the project outcomes.

Subject to approval of the full business case and subsequent approvals by the Area Committee and Policy and Resources Committee a further make or buy update report will be required to engage the Infrastructure Design Team to manage the construction phase. This will include full responsibility to ensure that the project is delivered by the 31 December 2019 for the lowest possible cost.

Construction Phase: The capital works will be carried out by the internal Operations Team possibly with assistance from local contractors whose usage will be determined by on site requirements and internal staff availability. This approach has been recommended following a Make or Buy exercise. An internal agreement will be prepared between Economic Development and Roads and Amenity Services outlining key points such as; costs, timescales and reporting. Roads and Amenity Services will oversee the construction and the Infrastructure Design Team will conduct site observation/liaison to ensure the design requirements are met.

The land acquisition process is being led by the Estates Section with support from Legal Services and to accommodate the proposed junction improvements there is a requirement to purchase land from two separate owners as follows:

- 1) An area of land (305m²– or thereby) on the south side from the Tarbert Harbour Authority. Agreement has been reached but the formal transfer will not take place until the full business case has been approved by the Policy and Resources Committee on the 16 May 2019.
- 2) Two small areas of land (15m² and 6m² respectively) from the Scottish Fire and Rescue Service. Agreement has been reached with the land owner and the transfer will be completed as soon as possible.

Utilities – C3 level estimated costs have been obtained from all utilities providers. C4 requests were submitted on the 28 March 2019.

Ground Investigation (GI) – Geotechnical testing was carried out on the 7 March

2019. The ground conditions are suitable for construction. Scottish Water are planning to carry out major infrastructure works on Harbour Street. The projected start date is early 2020. This includes some work at the south end of Barmore Road and Roads and Amenity Services have notified us that it may not be possible to have traffic management measures in place for both projects at the same time. To avoid the possibility of conflict the junction improvement work must be completed by the end of December 2019. Officers from Roads and Amenity Services are in liaison with Scottish Water and are monitoring the situation.

Programme – See below.

Following discussions with all relevant stakeholders including the Tarbert Harbour Authority a programme has been prepared. Please see below:

- 22 February 2019 – Revised costs from Roads and Amenity Services
- 7 March – First draft FBC to Strategic Finance
- 22 March – Make or buy exercise for capital phase complete
- 02 April – FBC assessment completed
- 8 April – MAKI report submitted to Executive Director
- 15 April - Final MAKI report to Governance
- 24 April - Special MAKI Area Committee
- May – Policy and Resources pre-agenda
- 16 May – Policy and Resources committee
- June-August – Completion of land acquisition
- August – Mobilisation for construction
- 02 September – Site start (13 week contract)
- 29 November – Construction works complete

5. Risk Log:

The Risk Log Worksheet sets out the chance, impact and mitigating actions re the following:

- Agreed costs increase during capital works
- Utility problems
- Unforeseen technical difficulties
- Missed opportunity to improve safety of junction and enable development that will provide further economic benefits to the community
- Project is not completed by 31 December 2019
- Planning issues
- Approval from Transport Scotland
- MAKI Area Committee or Policy and Resources Committee do not approve capital funding
- Future development does not materialise
- Total project costs exceed available budget
- Reputational damage to Council if project is not delivered
- Internal client concerns
- Salient points missed in Full Business Case development

- Additional land cannot be acquired
- Scottish Water project on Harbour Street impacts on delivery
- Poor contractor performance
- Poor project management of capital phase
- Infrastructure Design Team resources due to other commitments
- Public perception (expenditure)