

**TARBERT AND LOCHGILPHEAD REGENERATION FUND – SHORE SIDE  
FACILITIES  
TARBERT HARBOUR AUTHORITY CAR PARK FULL BUSINESS CASE**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 This report provides an update on the Tarbert Harbour Authority Shore Side Facilities project and consideration of the full business case for the proposed extension to the existing car park – to be part funded with an allocation of up to £105,000 via the Tarbert and Lochgilphead Regeneration Fund (TLRF).
- 1.2 The car park is the final element of the TLRF for Tarbert as follows:
- 1) A grant award of up to £125,000 to the Tarbert Harbour Authority for improvements to shore side facilities including; the refurbishment of the former wash facilities building to provide new offices and a chandlery; new waste facilities and a new fuelling berth.
  - 2) Improvements to the junction at Barmore Road with Garvel Road. This project is currently on site and is scheduled to be completed in November 2019.
- 1.3 To assess the car park project Tarbert Harbour Authority have provided a full business case together with other information including financial, governance and operational. The assessment has been undertaken following the process for additional funding to third parties approved by the Policy and Resources Committee on 19 March 2015. The assessment process is subject to a four stage review:
- Policy
  - Governance
  - Financial
  - Deliverability and Risk

**Recommendations**

- 1.4 Members of the Mid Argyll, Kintyre and the Islands Area Committee are asked to recommend to the Policy and Resources Committee:
- a) The approval of the full business case.

- b) The release of grant funding up to a maximum of £105,000 from the Tarbert and Lochgilphead Regeneration Fund subject to:
  - i) Tarbert Harbour Authority providing evidence of final tender costs and final confirmation that all match funding is in place.
  - ii) A grant agreement between Argyll and Bute Council and Tarbert Harbour Authority with funding only being released on the basis that expenditure can be evidenced.
  - iii) Following completion of the new car park Tarbert Harbour Authority are not permitted to charge users for parking on the site.
  - iv) The new car park cannot be sold for a period of ten years from the date of completion of the project.
- c) That delegated authority be afforded to the Executive Director with responsibility for Development and Economic Growth to confirm the details of the grant agreement.

1.5 If members endorse the request the report will be considered by the Policy and Resources Committee on the 17 December 2019 for final approval.

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**2.0 INTRODUCTION**

- 2.1 This report provides an update on the Shore Side Facilities projects at Tarbert Harbour and consideration of the full business case for the new car park.
- 2.2 On 6 September 2017, the Mid Argyll, Kintyre and the Islands Area Committee agreed the 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.
- 2.3 It was noted that full business cases for each of the projects will be submitted for consideration by committee as they become available given that each of the projects will develop at a different pace. The agreed projects included an allocation of up to £105,000 for improved car parking facilities and the full business case for this project has now been provided.

**3.0 RECOMMENDATIONS**

- 3.1 Members of the Mid Argyll, Kintyre and the Islands Area Committee are asked to recommend to the Policy and Resources Committee:
- a) The approval of the full business case.
  - b) The release of grant funding up to a maximum of £105,000 from the Tarbert and Lochgilphead Regeneration Fund subject to:
    - i) Tarbert Harbour Authority providing evidence of final tender costs and final confirmation that all match funding is in place.
    - ii) A grant agreement between Argyll and Bute Council and Tarbert Harbour Authority with funding only being released on the basis that expenditure can be evidenced.
    - iii) Following completion of the new car park Tarbert Harbour Authority are not permitted to charge users for parking on the site.
    - iv) The new car park cannot be sold for a period of ten years from the date of completion of the project.
  - c) That delegated authority be afforded to the Executive Director with

responsibility for Development and Economic Growth to confirm the details of the grant agreement.

#### **4.0 DETAIL**

4.1 The Tarbert and Lochgilphead Regeneration Fund (TLRF) includes two projects in Tarbert as follows:

- T02 – Improvements to the junction at Barmore Road with Garvel Road. This project is due to be completed in November 2019.
- T11 – Improvements to the shore side facilities to be delivered by the Tarbert Harbour Authority (THA) supported by grant funding from the TLRF. This project is split into two elements as detailed within sections 4.2 and 4.3.

4.2 Shore Side Facilities – This element included four phases:

- A new wash house and laundry block was constructed and is now in use. This phase was part funded by the Coastal Communities Fund.
- The refurbishment of the former wash facilities has been completed providing a new office and chandlery.
- Removal of the temporary buildings which housed the former office and chandlery and provision of a new waste facility. The new waste facility has been completed but one temporary building will remain on site for a period of eighteen months to be used for storage. Planning consent has been granted for this period. Following this the building must be removed from the site.
- A new fuelling berth at Jakes Quay. The pump out station work has been completed but the new fuelling berth has not been completed yet due to a lack of space at Jakes Quay. A further update will be provided in due course.

A grant of £125,000 from the TLRF part funded items 2 and 3.

4.3 Grant funding up to a maximum of £105,000 to provide improved parking facilities. This project is reliant upon the upgrade to the Barmore/Garvel Road junction which is due to be completed in November.

4.4 The existing car park at Tarbert Harbour (TH) contains 28 car parking spaces. From mid-March until the end of October it is open to visitors and residents to both the Harbour and Tarbert. During the winter it is used as a boat storage area. TH has approximately 150 permanent berth holders and 8 of these live on board their boats effectively reducing the car park to 20 available spaces. Many berth holders live outside the area and travel long distances to visit the Harbour; all these bertholders need somewhere to park their cars when visiting/using their boats and it is extremely busy during weekends, when parking is at a premium. During Tarbert's special events, Scottish Series, Viking Festival, Traditional Boat Festival, Seafood Festival and Music Festival parking again becomes a problem, especially as all the events also have a requirement for space for stalls, displays or other purposes, which all compete with visitors attempting to find parking spaces within the village.

- 4.5 In 2017 parking during the Scottish Series proved extremely difficult and vehicles parked along Barmore Road/Garvel Road, caused considerable obstructions and safety issues, particularly for the fire service. Police Scotland indicated that a 'temporary parking restriction order' would be required for all future events, making parking almost impossible. This in turn gives more credence and urgency to the additional car parking facilities at the Harbour, ensuring that this Festival and others continue to use Tarbert Harbour as their base.
- 4.6 The project's overarching aim is designed in response to customer feedback. The project's beneficiaries are visitors and Harbour users, the residents of Tarbert and local businesses. All groups will benefit from the enhancement of the parking facilities.
- 4.7 Tarbert Harbour Authority (THA) have appointed their own design team who will be responsible for developing and managing the car park project. This includes; preparing detailed design drawings and budget costs; securing planning consent, the construction tender process and managing the construction contract. The design costs will be met by THA and will not form part of the proposed Council grant award.
- 4.8 As per the latest programme (Appendix 3) significant progress has already been made and the projected start date is early February 2020. This should ensure that the additional car parking provision is available for the Scottish Series in May 2020.
- 4.9 Construction costs have been projected based on initial designs and by using rates from other tenders. Actual costs will not be available until the tender process has been completed in mid-January. The proposed grant award from the TLRF is £105,000. Tarbert Harbour Authority has provided evidence that they can fund the balance of the costs.
- 4.10 THA have also secured grant funding of £11,950 from the Energy Saving Trust to install an electric vehicle (EV) charging infrastructure next to the new car park. It is proposed that the charging station will be installed during the construction of the car park and it will be available for public use.
- 4.11 **Application Assessment Process**
- 4.11.1 Whilst the car park project has been subjected to previous assessment and selected as one of six projects from the TLRF that should proceed to full business case a more detailed assessment has recently been undertaken following the process for additional funding approved by the Policy and Resources Committee on 19 March 2015. The assessment process is subject to a four stage review:
- Policy
  - Governance
  - Financial
  - Deliverability and Risk

4.11.2 The process requires officers to write a report that captures the outcome of the assessment. The overall assessment should be narrative and qualitative rather than a set of weighted scores. The report should set out qualitative information but not make a clear recommendation. The assessment is contained in the paragraphs that follow.

4.11.3 The Tarbert Harbour Authority has provided documentation to support their request for funding. Some of these documents are appended to this report:

- Appendix 1 – Business Plan for car park
- Appendix 2 – Plan for new car park
- Appendix 3 – Programme
- Appendix 4 – Risk log

Other documents provided include; constitution; annual accounts, bank statements; management accounts, organisation's cash flow statement and minutes from board meetings.

## **4.12 Policy**

### ***What is the impact of granting the request?***

4.12.1 The project will allow the THA to progress with the next phase of their Shore Side Facilities improvements providing improved parking facilities for customers, visitors to the area and local residents. Please see section 4.4 to 4.6 for further information.

### ***What locations will benefit?***

4.12.2 Tarbert will secure the most benefit but the improved facilities will have wider benefits for Kintyre, Mid-Argyll and Argyll as a whole.

### ***How does the application relate to the Council's Corporate Plan themes; Service plans, Area Priorities; Corporate Resource Strategies etc.***

4.12.3 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 improved parking facility 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 additional Harbour facilities including the possibility of

investment in workshops/and or self-catering accommodation.

The investments section of the Economic Strategy 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 Improved facilities at the Harbour will contribute to objectives within the Local Outcome Improvement Plan, Local Development Plan and the Scottish Government's Marine Tourism Strategy - Awakening the Giant.

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

### ***Would it support other Projects or Initiatives?***

4.12.4 The project is a key element of the £3million Tarbert and Lochgilphead Regeneration Fund that seeks to improve the public realm or public infrastructure in the Mid-Argyll area. In Tarbert significant improvements have already been made to the shore side facilities at Tarbert Harbour, benefiting locals and visitors alike and providing a boost to the local economy. The improvement to the junction at Barmore and Garvel Road was due to be completed in November. This has generated opportunities for further investment on Garvel Road including the new car park.

### ***SWOT Analysis***

4.12.5 The following outlines the main strengths, weaknesses, opportunities and threats associated with the car park project:

#### ***Strengths***

- The project aims to support THA as a sustainable business which contributes to the local economy.
- The THA is an operational business with existing clients and associated revenue, cash flows and cash reserves. THA will continue to operate the facilities.
- THA have experience of delivering other improvement projects within their landownership. This includes; the new wash house and laundry block, the refurbishment of the existing laundry block to house the new office and chandlery and the new waste facility.
- THA have secured funding from the Energy Saving Trust for an EV Charging Station that will be installed next to the car park.
- With the exception of the Council contribution, all other funding has been secured for the delivery of the project.
- An experienced Design Team is in place and the project is progressing as per the agreed programme (Appendix 3).
- The project will have direct benefits for users from the local community as well as remote harbour users and visitors.

- The project hopes to support existing jobs and offer the opportunity to extend employment at THA by 0.5 FTE.

#### *Weaknesses*

- Planning permission has still to be secured.
- The construction tender process is in progress but the final costs will not be available until mid-January.

#### *Opportunities*

- The additional facilities offer the opportunity to maintain the Harbour as a competitive and attractive offer for the sailing community on the west coast of Scotland.
- Should the additional facilities attract additional visitors, this offers the opportunity to encourage spend within the local community with associated economic benefits.

#### *Threats*

- Tarbert Harbour Authority are aiming to complete the project in mid-April 2020 to ensure that the new car park is available for the new season and the Tarbert Series. There is a possibility that the project will not be completed on time.
- Successful tender processes are still required and may have implications on the budget.
- Depending on the success of the project it may impact upon other harbour facilities in the vicinity, although the scale of this will be limited by the capacity of the harbour itself.
- There is a risk that unexpected technical difficulties could impact the delivery phase.

#### ***What is the economic impact of the funding award?***

4.12.6 With the increased parking facilities, combined with the recently upgraded onshore facilities and services, the project will continue to encourage increased dwell time from Berth Holders, local residents, day visitors and tourists. It will continue to support sustained local economic growth and jobs in tourism by promoting further development of the Harbour for recreational use, increasing the capacity of the village and extending market penetration.

4.12.7 It will help to ensure that local festivals, including the prestigious Scottish Series, will continue to use Tarbert, bringing in further revenue to the village and surrounding area. Berth Holders will be more likely to visit their boats both in summer and winter, knowing the Harbour is now likely to have car parking spaces available to them, leading to increased visitation and longer stays. This will encourage them to spend money in the village and surrounding area at local restaurants, cafes and shops as well as visit nearby local attractions, safeguarding approximately 40 local jobs and creating new business opportunities and indirect jobs.

***How many jobs will be created?***

The project will support 8 existing jobs at Tarbert Harbour and create a new part-time post. There is potential for this to increase in the future.

**4.13 Governance**

***What is the Legal Status of the Organisation and is this secured?***

4.13.1 Tarbert Harbour Authority (THA) was set up by the Pier and Harbour Order Confirmation (No. 1) Act 1912 as a Trust Port, in order to safeguard and maintain the harbour area of Tarbert (Loch Fyne), as gifted to it under that order. Following the Tarbert (Loch Fyne) Harbour Revision (Constitution) Order 2007, the Tarbert (Loch Fyne) Harbour Authority is now governed by the Tarbert (Loch Fyne) Harbour Act and Order 1912 to 2007.

4.13.2 Government advice also sets out the code of practice to which the Trust should adhere. The THA is recognised as a social enterprise and as a Trust Port, all surplus funds are reinvested back into the maintenance of the harbour infrastructure and provision of additional facilities.

***Have the Board agreed to the Project?***

4.13.3 The project has been approved by the Trustees at their meeting of 5th September 2019. The project is also part of the Business Development Plan for the Harbour 2016-21 which was approved by the Trustees on the 17th August 2016.

**4.14 Financial**

**4.14.1 Overview**

All financial elements have been independently checked by Financial Services.

***Have costings been provided?***

4.14.2 Yes projected costs have been provided based on information that is currently available. The tender process will be completed in December.

***What other Funding is in place?***

4.14.3 The remaining funding for the project will come from the Tarbert Harbour Authority.

***Is there an estimated cash flow for ongoing operating costs?***

4.14.4 Tarbert Harbour Authority have provided their operating cash flow statements. The cash flow for the car park project will be reviewed following the tender process.

## **4.15 Deliverability and Risk**

### ***Is there a Business Plan***

4.15.1 The business plan has been received as part of the funding application – see Appendix 1.

### ***Who are their Partners/Advisors and are they sufficiently experienced?***

4.15.2 The Design Team is led by John Renshaw Architects supported by IKM Consulting Ltd. Both organisations have a wealth of experience delivering projects for the marine industry and are suitably qualified to deliver this project.

### ***Who are the key people in the Organisation?***

4.15.3 There are currently 8 trustees including the Chairperson, Vice Chairperson and Harbour Master. The trustees (apart from the Harbour Master) contribute their time free of charge to the development of the Harbour. All board members are entrusted to take into account the impact arising from their decisions and actions on the wider community and the local economy.

### ***Have risks been clearly identified?***

4.15.4 Yes all risks are included within the Risk Log. Please refer to Appendix 4.

## **5.0 CONCLUSION**

5.1 On the basis of the assessment, it is recommended that the maximum of £105,000 funding from the TLRF is confirmed for the provision of new car parking facilities at Tarbert Harbour. The terms of the grant will be confirmed in a grant agreement, the details of which will be delegated to the Executive Director with responsibility for Development and Economic Growth for final approval. This project delivers the third and final Tarbert component of the TLRF.

## **6.0 IMPLICATIONS**

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|-----|-----------|---|
| 6.1 | Policy    | The project will support the objective and long term outcomes of the Council's Corporate Plan, Argyll and Bute Outcome Improvement Plan, The Local Development Plan, the Economic Strategy and other Council Policy as may be relevant to specific proposals. It will deliver a key component of the Tarbert and Lochgilphead Regeneration Fund (TLRF). |
| 6.2 | Financial | Maximum grant contribution of £105,000 from the TLRF. The majority of spend is expected to take place this financial year.  |

6.3	Legal	A formal legal agreement will be put in place with Tarbert Harbour Authority to cover the grant payment.
6.4	HR	None at this time.
6.5	Fairer Scotland Duty:	
6.5.1	Equalities –protected characteristics	None.
6.5.2	Socio-economic Duty	None.
6.5.3	Islands	None.
6.6	Risk	As indicated with the risk log Appendix 4.
6.7	Customer Service	None at this time.

**Pippa Milne - Executive Director with responsibility for Development and Economic Growth**

17 October 2019

**For further information contact:**

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**APPENDICES**

- Appendix 1 – Business Plan for car park
- Appendix 2 – Plan for new car park
- Appendix 3 – Programme
- Appendix 4 – Risk log