
**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 12th September 2019.
- 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.

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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 place-based engagement projects working in partnership with the community and key partners, leading to the development of action plans;
- development of the economic opportunities for Argyll and Bute across Film, Creative Industries and the Renewables sectors;
- 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;
- developing and administering the council's new strategic events and festival grant process and associated grants for 2019/20 and 2020/21.
- overseeing the delivery of the projects being supported through the Scottish Government Town Centre Fund for 2019/20; and
- support to third sector organisations in the form of advice and support including governance and funding, acting as the key point of contact within the council, and providing support to communities through the asset transfer process. It should be noted that this element of the work of the team has been refocused and will be located within the Community Development Team from 1 April 2020. The team will continue to be the point of contact to provide support to community and third sector organisations delivering regeneration focused projects particularly where council funding is involved and or where projects align with council outcomes.

- 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 organisations to assist in the delivery of economic regeneration projects such as Kilmartin Museum Redevelopment which is due to commence on site later this year, Ardrishaig Gleaner Oil Site Phase One – Eggshed project which is now complete and Dunoon Boxing Club, also now complete. The management and monitoring of funds also extends to the eleven projects funded through the £1,242,000 Scottish Government Town Centre Fund (2019/20), which is reported to Scottish Government on a quarterly basis, and approved RCGF grants (2017/18) for the Tobermory Light Industrial Site, Ardrishaig Gleaner Phase 1 site, (2018/19) for Cairndow Community Childcare and Family Centre and The Rockfield Centre in Oban and (2019/20) for Kilmartin Museum. 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) – (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 1 April 2015 to 31 March 2020 and builds on the success of the Campbeltown Round 1 CARS and Townscape Heritage Initiative. There is a dedicated project officer in post to deliver the project and the majority of funding is now committed.

During the delivery of the scheme additional funding has been secured and a number of savings have been identified. The total project budget has increased from an initial £2.2million to almost £2.9million. To date seven priority building repair projects have been completed and the final project is on site at Mafeking Place and will be completed before March 2020.

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.

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. Highlights have included; an architectural exhibition (attracting over 2,000 visitors); a "Warm homes" event for local homeowners; six traditional skills training courses held in Campbeltown were well attended by contractors and building professionals and 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.

A contractor has been appointed to develop and produce a digital app for Campbeltown to include; heritage trail, whisky trail and walking and cycling routes to encourage people to become more active.

As a condition of our grant contract, following the completion of the project, we are required by HES to prepare a final report, including a five year audit. This is currently being prepared and will be submitted to HES for their consideration and approval. The project will formally close on 31 March 2020.

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

This £3.7m project is for the heritage-led regeneration of Hermitage Park. The main project funder is National Lottery Heritage Fund (NLHF) with a grant of £2.3m. In addition the Council agreed a grant of £380,000 with the remainder coming from a range of other grant and in-kind funding. The project is in the final phase of capital delivery which is now expected to be complete in Spring 2020 it should however be noted that the retention period will run into 2020/21. Thereafter the focus will be fully on delivering the activities plan and undertaking the planting and management and maintenance plan

Lot one - Passivhaus Pavilion achieved practical completion on 9th May 2019 and is currently subject to the snagging and defects period.

Lot two – Landscape and Conservation achieved phase one practical completion on 24th October 2018 and phase two practical completion on 3rd February 2020 and is currently subject to the snagging and defects period.

The Heads of Terms relating to the lease of the Pavilion Café were agreed in December 2019 and, following receipt and consideration of further information, the lease is now being progressed.

The project is coming towards the end of the construction phase and there is a need to continually review the budget against costs working 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 works are fully completed and final costs are confirmed a report will be prepared and brought before H & L Area Committee and Policy and Resources.

Delivery of the five year activity plan continues until 2021. Up to 30th September there have been £86,110 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 Hermitage Park Manager has now left the project and a replacement is being advertised with an expected start date in May 2020.

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 – (1st October 2017 – 30th September 2022) - Project Status - GREEN

Rothesay TH is a five-year heritage-led regeneration project that is currently in year three. The partnership project is funded by National Lottery Heritage Fund NLHF (£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.

The project has completed the external restoration of two priority projects to date, with a further two likely to follow this year. The first shopfront restoration will be undertaken in the early part of 2020 and a series of window repair grants will be provided to restore traditional timber sash and case windows.

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 has sought to understand the Bute visitor offer, test a co-working space and is currently seeking feasibility analysis to assess the viability for artists' studios on Bute.

4.1.4 Inveraray CARS & Avenue Screen – (1st April 2013 – 31st March

2018 & January 2019 – November 2019)
Project Status - GREEN

Following the completion of the main Inveraray Conservation Area Regeneration Scheme (CARS), on 31st March 2018, (total value £2,141,516), the £200k Inveraray Avenue Screen project (council funded with support from Historic Environment Scotland) was the next phase of works to be delivered. Specialist contractors started on site in January 2019 and work was completed in November 2019. The existing render was removed and replaced with traditional lime harling. Other works included; replacement stone copes, installation of lead, repainting entire structure with silicate paint and the refurbishment of all gates and screens. As this project is now complete it will not be included in any future large scale project update report.

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

Dunoon CARS is a five-year partnership heritage-led regeneration project between Argyll and Bute Council and Historic Environment Scotland, contributing a combined total of £1,502,348 to the restoration of historic properties within the town centre. The project is reaching the end of year three and will conclude on 31st March 2022. A fully funded project officer is employed to deliver the project.

The envelope restoration of one priority building and two shopfronts has been completed to date, with a second priority project anticipated to commence on site shortly. In order to support the enhanced repair of properties within the town centre, a Caring for Dunoon's Shopfront guide has been produced, and which will be distributed to property owners.

A complementary scheme of skills development, in partnership with HES, Argyll College UHI, Skills Development Scotland, Dunoon Grammar School, Dunoon Burgh Hall Trust and a local contractor is proving successful. The training programme is supporting school-age pupils to gain hands-on practical construction industry experience.

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 Creative Scotland PPP project first phase ended on 30th September 2019 with a showcase event in Oban demonstrating the creative ambition and talent in the area with many artists and performers hosting stalls, workshops, talks and performing. Over 270 people attended and at night the live streaming was watched by over 4,500 people from here and across the globe. On the night, Creative Scotland demonstrated their commitment to, and the importance of,

supporting a culture, heritage and arts network, announcing funding of £50,000 for CHARTS.

CHARTS has begun phase two of its development to strengthen the culture, arts and heritage sector and widen participation. It is aligned to the Economic Strategy 2019-2023's Action Plan outcome, Place and People. The objectives of the PPP phase two are to;

- Develop cultural and heritage practitioners and organisations by working co-operatively and in partnership with others
- Develop and utilise effective communication across geographic and sectoral boundaries
- Grow audiences and customers by developing routes to market locally, nationally and internationally
- Develop and deliver partnership projects that will excite, educate and entertain, communities and visitors
- Share resources and access training in order to build capacity in the sector

The CHARTS SCIO is undergoing a period of development as it becomes established. It operates through a board - for which the council nominated Councillor Jim Anderson as a Trustee - a steering group, and a wider membership. The steering group is made up of cultural anchor organisations across the region and held its first meeting in January 2020.

Key deliverables for the period October 2019 to December 2020 include:

- Working with local partners to help build commitment from a grass roots level and incentivise local arts, culture and community groups thus increasing visibility and place development
- Fund raising for longer-term sustainability
- Building on the Wander Argyll campaign <https://www.wildaboutargyll.co.uk/wander-argyll/> using learning captured from this to produce a campaign for late summer 2020 onwards and develop routes to market
- Building on youth engagement to grow youth networks and peer led programming.
- Develop relationship with and representation of Gaelic Culture including the Council's Gaelic Language Plan, and working closely with Bord Na Gaidhlig to identify opportunities.

- Delivering Visual Artist and Craft Makers Awards in Argyll and Bute for creative and professional development of artists and makers. This has a deadline of 4th February 2020 and details can be found on the Creative Scotland website.

Further information and details on CHARTS can be found at <https://www.chartsargyllandisles.org/>

As the larger scale externally funded project is now complete the work of CHARTS will not be included in any future large scale project update report. Any future update on the work of CHARTS can be brought before EDI committee.

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 a scoring and assessment process resulted in 6 projects to go forward to full business case stage (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. The Phase 1 works were completed during Summer 2019.

A grant of £125,000 was awarded to Tarbert Harbour Authority on the 12th July 2018, to part-fund stages 2-4 of the shore side facilities project. This involved the refurbishment of the original wash facilities building to create new offices and a chandlery and the formation of a new refuse area. The project was completed in May 2019.

Following extensive development works, improvements to the Barmore/Garvel Road junction started in October 2019. Due to inclement weather conditions work was not completed before the end of December as planned. Latest completion date is early February 2020.

A grant of up to £105,000 has been awarded to the Tarbert Harbour Authority to extend the existing car park to cope with increased demand. Work is due to start on site in early February and should be completed in April 2020.

Planning permission for the Lochgilphead Front Green and Argyll Street/Colchester Square projects (LA10 and LA11) has been granted. The developed design was produced in consultation with Development and Infrastructure Departmental Management Team and the projects steering group which includes members of Lochgilphead Community Council, the Lochgilphead Phoenix Project, Mid Argyll Youth Development Services, Transport Scotland and Sustrans.

An additional £200,000 has been awarded to LA10 & LA11. This additional funding has come from the Scottish Government Town Centre Fund.

P&R Committee delegated approval of the Full Business Case to the Executive Director at its meeting in December 2019. The procurement work for the construction element of the Lochgilphead projects has now commenced and will inform the final business case. Issues surrounding third party land ownership are being investigated.

Erz who are the lead designer for LA10 & LA11 have now been awarded a contract to review the original concept design for Ardrishaig North Public Realm (LA13) and bring it in line with the project's budget. Following a public consultation Erz are revising proposals to take into account feedback from the local community and businesses.

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

Ardrishaig Gleaner Phase 1 Site – Scottish Canals began works, week commencing 15th April 2018 and completed on site summer 2019. The table below highlights the drawdown to date against the total RCGF award.

Tobermory Light Industrial Site – Mull and Iona Community Trust (MICT) appointed a contractor and construction began on 19th 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 almost completed on site and a completion certificate is being sought. There has been significant interest in the site from local businesses. The formal opening of the site is due to take place in spring. The table below highlights the drawdown to date against the total RCGF award. There remains a very small percentage of the original £1.6million to be drawn down.

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 now completed on site and all RCGF has been drawdown. The Rockfield project is making good progress

on site and all match funding is in place to cover the original shortfall.

In March 2019 the council was advised that it was successful in securing £200,000 of RCGF (2019/20 award) for Kilmartin Museum redevelopment project. There has been no drawdown to date against the RCGF as the project has yet to commence on site.

Project Name	Grant Awarded	Year Awarded	Balance Remaining to Drawdown
Ardrishaig Waterfront – Maritime Hub Phase 1	£622,972* *Including additional RCGF funds	2017/18	£120,033
Tobermory Light Industrial Park	£1,600,000	2017/18	£16,666
Cairndow Community Childcare & Family Centre	£811,198	2018/19	£0
The Rockfield Centre	£540,000 * *Including additional RCGF funds	2018/19	£263,659
Kilmartin Museum	£200,000	2019/20	£200,000

4.1.9 **Lochgilphead Conservation Area Regeneration Scheme (CARS) (1st April 2020 – 31st March 2025)**

In 2019 we secured grant funding of £969,700 from Historic Environment Scotland (HES) for Lochgilphead CARS. Taking into account Council match funding and owners contributions the projected budget is £1.6million over a five year period. A launch event is due to take place in April 2020.

4.1.10 **Helensburgh Conservation Area Regeneration Scheme (CARS)**

An application has been submitted to Historic Environment Scotland for a CARS for Helensburgh. A decision is expected in Spring 2020.

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 and one new CARS due to commence on 1 April 2020. The total value of these four schemes represents well in excess of £12 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 towns. Due to the cost of repairing traditional buildings, 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. It has helped safeguard exiting businesses and led to a number of new businesses opening in refurbished buildings creating jobs within the community.
- 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.
- 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 HR 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 FAIRIER SCOTLAND DUTY ;
- 6.5.1 Equalities - protected characteristics - None
 - 6.5.2 Socio-economic Duty - None
 - 6.5.3 Islands - None
- 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 funder's 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 on the ground.

The setting up of regular benefits realisation group meetings and building good working relationships with the third parties assists in identifying where issues may arise and where additional support may be required.

6.7 CUSTOMER
SERVICE

There are no customer service implications.

Interim Executive Director with responsibility for Development and Economic Growth: Kirsty Flanagan

Policy Lead: Councillor Aileen Morton

January 2020

For further information - please contact Audrey Martin, Transformation Projects and Regeneration Manager
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Appendices:

Appendix A – List of Council and Third Party projects that the Team is either responsible for delivering directly or for managing the grants given by the council to a third party organisation.

Appendix A

Council and Third party projects	Project Value / Grant Secured	Delivery Start	Delivery End (excluded defect period)
Dunoon CARS	£1,889,430	2017	2022
Rothesay TH2	£3,201,430	2017	2022
Inveraray CARS – Additional Avenue Screen Project	£200,000	2018	2019
Campbeltown CARS	£2,900,000	2015	2020
Tarbert Lochgilphead Regeneration Fund	£3,000,000	2018	On going
Hermitage Park	£3,500,000	2016	2021
Tobermory Light Industrial Park (RCGF grant)	£1,600,000	2017	2020
Gleaner Oil site (RCGF grant)	£622,972	2017	2019
Cairndow Childcare & Family Centre (RCGF grant)	£811,298	2018	2019
Rockfield Centre RCGF grant	£540,000	2018	2019
Kilmartin Museum RCGF grant	£200,000	2019	2020
CHArts Place Partnership Plan (council and CS grant)	£360,000	2017	2019
Kilmartin Museum Council Grant	£400,000	2019	2021
Events and Festivals grants (including Mod)	£151,871	2019	2020
Town Centre Fund (Council projects plus grants to third parties)	£1,242,000	2019	2020
Lochgilphead CARS	£969,700	2020	2025
Total	£21,088,701		