

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

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**1. EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to update the Environment, Development and Infrastructure Committee on progress in the delivery of 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 5 March 2020.
- 1.2 The paper also highlights the key issues that will impact on the successful delivery of the projects.
- 1.3 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 Transformation Projects and Regeneration team also covers other key areas of work which are detailed in paragraph 2.1 below.
- 1.4 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 which 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 regeneration 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 strategic events and festival grant process and associated grants for Rounds 2 and 3 and supporting those events that have had to cancel due to Covid 19;
- overseeing the delivery programme and financial administration of projects supported through the Scottish Government Town Centre Fund; and;
- 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. The management and monitoring of funds also extends

to the eleven projects funded through the £1,242,000 Scottish Government Town Centre Fund (2019-21), which is reported to Scottish Government on a quarterly basis, and approved RCGF grants (2017/18) for the Tobermory Light Industrial Site, now complete, The Rockfield Centre in Oban (2018/19), recommenced on site following lockdown (Kilmartin Museum (2019/20), MAC Pool (2020/21) and Ulva Heritage project (2020/2021) all to move to procurement. 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 2021) - Project Status – GREEN**

Following a successful bid to CARS Round 6, the Council secured funding of £990,000 from Historic Environment Scotland (HES) in March 2015 to deliver Campbeltown's second CARS, building on the success of the Campbeltown Round 1 CARS and Townscape Heritage Initiative (2007-2015). CARS R6 started on the 1 April 2015 and was due to end on the 31 March 2020. As a result of the COVID-19 pandemic a one-year extension has been approved to enable final reporting and evaluation work to be completed.

During the delivery of the scheme additional funding was secured and a number of savings were identified. The total project budget increased from an initial £2.2million to almost £2.9million. The main capital element of the works are complete with a total of eight priority building repair projects complete.

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 and an education project in partnership with the Walking Theatre Company and Castlehill Primary School.

We are currently working with an App developer to produce a digital app for Campbeltown town centre to include; heritage trail, whisky trail including 30 former distilleries and walking and cycling routes to encourage people to become more active. It is hoped that the app will also encourage more people to visit the area.

As part of the reporting and evaluation of the scheme we are planning to appoint a contractor to review and measure the success of the full programme of regeneration in Campbeltown from 2007 to 2020.

#### 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 £3.7m 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. Capital delivery is almost complete with a small number of landscape and conservation snagging works outstanding due to inability to progress these during COVID-19 restriction. The focus is now on delivering the activities plan and undertaking the planting and management and maintenance plan.

Lot one - Passivhaus Pavilion complete.

Lot two – Landscape and Conservation subject to the snagging and defects period which runs to January 2021.

As all construction works are now complete, with the exception of the snagging/retention period for Lot two, the final budget figures are being collated

The Heads of Terms relating to the lease of the Pavilion Café were agreed in December 2019 and have been subject to delay due to Covid-19. In addition there has been a further request to change the commercial terms. It is hoped that the process will be concluded shortly and a positive announcement made soon.

Delivery of the five year activity plan continues until 2021 and HLF have agreed an extension of the project to December 2021 to enable a full year of delivery of the activity plan with works complete. The previous report showed volunteer hours with a value of £86,110 up to 30<sup>th</sup> September. We do not have the increase in volunteer figures at the time of this report however we continue to be on target to deliver the proposed £102,000 by the end of the activity plan.

The Hermitage Park Manager post was advertised and the successful candidate took up post on 17 August 2020.

The project continues to attract 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 – Year 3) - Project Status - GREEN**

Rothesay TH is a five-year heritage-led regeneration project. 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 and used to deliver complementary awareness raising initiatives and events. Project staff are fully funded for the project duration.

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 is complete with a second following this autumn. A series of window repair grants will also 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. An environmental art project is being considered and has been out to consultation. If it is agreed to proceed this would see two murals enhance the streetscape this year. In addition two large pieces of research linked to the Bute offer and the digital visitor experience are in the process of being concluded and will then be made available to key stakeholders and the wider public.

#### 4.1.4 **Dunoon CARS – (1<sup>st</sup> April 2017 – 30<sup>th</sup> June 2022 – Year 4) Project Status - GREEN**

Dunoon CARS is a five-year 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. A fully funded project officer is employed to deliver the project for its duration.

The envelope restoration of one priority building and two shopfronts has been completed to date, with a second priority project and third shopfront on site. In order to support the enhanced repair of properties within the town centre, a Caring for Dunoon's Shopfront guide has been produced which has been 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 and will be continued in the new academic year.

**4.1.5 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**

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. Whilst there is still a significant amount of work being undertaken with CHARTS further updates on the work of CHARTS will be brought to a future EDI committee through a separate report.

**4.1.6 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).

The following projects have been completed:

- Gleaner (Phase 1 only) - £250,000 - completed Summer 2019.
- Tarbert Harbour (shore side facilities) - £125,000 - completed in May 2019.
- Barmore/Garvel Road junction improvements - completed February 2020

Tarbert Harbour Car Park

A grant of up to £105,000 was awarded to the Tarbert Harbour Authority to extend the existing car park next to the marina to cope with increased demand. Work started in March 2020 but was unfortunately suspended due to COVID-19 it is hoped to be back on site soon and is due to be completed this summer.

Lochgilphead Front Green and Colchester Square

Work is ongoing in relation to the procurement of contractors for construction of the Lochgilphead Front Green and Argyll Street/ Colchester Square projects. The developed design was produced in consultation with Development and Infrastructure Departmental

Management Team and the projects steering group which includes local community members and other stakeholders. An additional £200,000 has been awarded to these projects from the Scottish Government Town Centre Fund, this requires the project to be completed by September 2021.

P&R Committee delegated approval of the Full Business Case to the Executive Director at its meeting in December 2019. A verbal update on the procurement exercise will be given if contractual arrangements allow. Issues surrounding third party land ownership are also being resolved.

#### Ardrishaig North Public Realm

Further consultation on the concept design for the public realm took place online during June 2020 and the design is being revised as a result of this. It is anticipated that further consultation will take place during Autumn 2020 following which planning permission will be sought.

#### Gleaner Phase 2

Discussions are taking place with Scottish Canals regarding how this project can be taken forward.

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

Tobermory Light Industrial Site – Mull and Iona Community Trust (MICT) 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. The contractor completed on site in March this year just prior to Lockdown. There has been significant interest in the site from local businesses. The formal opening of the site was due to take place in spring but has been delayed. All RCGF funding has been fully 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 which completed on site just prior to lockdown and all RCGF has been drawn down. The Rockfield project has just recommenced on site following lockdown.

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. It is currently anticipated that this project will go out to tender in the next few months.

In March 2020 the council was advised that it was successful in securing £400,000 of RCGF (2020/21 award) for Mid Argyll Community Pool redevelopment project and £194,090 of RCGF for Storax Ulbha

Heritage project on Ulva. Both projects are yet to start on site.

Project Name	Grant Awarded	Year Awarded	Balance Remaining to Drawdown
The Rockfield Centre	£540,000 * *Including additional RCGF funds	2018/19	£115,873
Kilmartin Museum	£200,000	2019/20	£200,000
MACPool	£400,000	2020/21	£400,000
Storas Ulbha	£194,090	2020/21	£194,090

#### 4.1.8 Lochgilphead Conservation Area Regeneration Scheme (CARS) (1<sup>st</sup> April 2020 – 31<sup>st</sup> March 2025)

In 2019 we secured grant funding of £969,700 from Historic Environment Scotland (HES) for Lochgilphead CARS. The five year project officially started on the 1<sup>st</sup> April 2020. Taking into account Council match funding and owners contributions the projected budget is £1.6million. A formal launch event was scheduled for May 2020 but we had to postpone the event due to the outbreak of COVID-19. <https://www.argyll-bute.gov.uk/lochgilphead-cars>. The scheme was launched virtually in May and progress to date includes; preparation of forms, guidance documents and financial systems; a dedicated web page; contact with all key stakeholders and priority building owners and the appointment of a framework Design Team to progress building contracts.

#### 4.1.9 Scottish Government Town Centre Fund (2019 – 2021)

A total of £1,242,000 Scottish Government Funding has been allocated to eleven projects to support regeneration activity within Argyll and Bute's town centres. Funding has been provided to support a [community regeneration project](#) in Oban and to Oban BID as third party grant, and will fund public realm activity in Bowmore and Lochgilphead, as well as new play equipment in Rosneath. The regeneration will also support the enhancement of the area's piers and harbours through enhancements to the harbour wall in Tobermory, to the pontoons in Rothesay Harbour and to Helensburgh Pier to ensure this is made safe and accessible to pedestrians. Funds have also been provided to support the community garden at Hermitage Park, to deliver a shopfront scheme for Campbeltown (some 28 shopfront improvements supported) and a sound and illumination project for Dunoon. All projects are progressing and will be complete by September 2021.



- 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 four CARS/TH schemes in progress albeit that Campbeltown is complete with the exception of the final report. The council also has a CARS bid lodged with HES for Helensburgh town centre however as a consequence of COVID-19, the decision has been delayed and no date given as to when any decision and associated announcement will be made. The total value of the current 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. This investment will continue to play a key role in our recovery as we move out of lockdown and the full impact of COVID-19 is realised.
- 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. This has been even more challenging in the last few months due to COVID-19 and it is anticipated that the impact will continue to be felt.
- 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. The impact of COVID-19 on the costs of these

repair projects and the potential impact on delivery is currently being reviewed.

- 5.6 This also applies to our role in delivering council capital projects and in managing and monitoring council grant funding to third party 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. We will continue to review costs in light of the potential impact of COVID-19.
- 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 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

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. COVID-19 and the resulting impact on the construction industry and costs is an additional risk to the delivery of these projects and we are reviewing all costs and working with funders to minimise the impact and manage the risk as much as we can.

## 6.7 Customer Service

There are no customer service implications.

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

**Policy Lead:** Councillor Alastair Redman

August 2020

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

## **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

<b>Council and Third party projects</b>	<b>Project Value / Grant Secured</b>	<b>Delivery Start</b>	<b>Delivery End (excluded defect period)</b>
Dunoon CARS	£1,889,430	2017	2022 – possible extension due to COVID-19
Rothesay TH2	£3,201,430	2017	2022 – possible extension due to COVID-19
Campbeltown CARS	£2,900,000	2015	2020 – extended to 31 March 2021
Tarbert Lochgilphead Regeneration Fund	£3,000,000	2018	On going
Hermitage Park	£3,500,000	2016	2021
Rockfield Centre RCGF grant	£540,000	2018	2020
Kilmartin Museum RCGF grant	£200,000	2019	2021
MACPool RCGF Grant	£400,000	2020	2021
Storas Ulbha RCFG Grant	£194,090	2020	2021
CHArts Place Partnership Plan (council and CS grant)	£360,000	2017	Complete
Kilmartin Museum Council Grant	£400,000	2019	2022
Events and Festivals Round 2 grants as per decision of BCC Committee in June 2020 (includes £20k annual Mod payment )	£110,000	2020	2021
Town Centre Fund (Council projects plus grants to third parties)	£1,242,000	2019	2020
Lochgilphead CARS	£969,700	2020	2025
<b>Total</b>	<b>£18,906,650</b>		