
Tarbert and Lochgilphead Regeneration Fund – Projects Update

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update on the six projects approved to proceed to full business case as part of the Tarbert and Lochgilphead Regeneration Fund. Funding through the Tarbert and Lochgilphead Regeneration Fund has successfully completed a number of projects in Tarbert and Ardrishaig. The focus of current activity is on delivering the remaining of the agreed six projects which form the Tarbert and Lochgilphead Regeneration Fund. Progressing these projects continues to be challenging and unfortunately tender processes have confirmed that additional budget is required to deliver the projects as planned, underspend from a completed project can help to secure delivery of these remaining projects.

Tarbert

- 1.2 The projects at Barmore Road (A83)/Garvel Road junction and the shore side facilities by Tarbert Harbour Authority have been completed to specification. Works to make improvements and extensions to Tarbert Harbour Authority's car parking facilities are ongoing and expected to be completed in 2021.

Lochgilphead

- 1.3 Procurement works for Lochgilphead Front Green and Colchester Square took place between October 2019 and September 2020. Unfortunately following assessment of the bids, it was deemed that the scheme was not able to be delivered within the budget available and that progressing with the tender would not have represented value for money for the Council.
- 1.4 Work has now commenced on a re-tender process through which will be seeking to deliver a revised scheme. However, without additional funding being identified it will not be possible to deliver all of the elements of the scheme which have been proposed. The ESPD for the retender was published in November 2020 and it is expected that the Invitation To Tender will be issued in January 2021 with a view to having a contract in place in March 2021.
- 1.5 The Executive Director with responsibility for Development and Economic Growth has been given delegated authority to approve the final full business case for the project and following conclusion of the tender assessment process this will be progressed.

- 1.6 The Colchester Square public realm proposals are being progressed through a separate funding source and it is hoped that these works can be delivered in early 2021 independent of the Front Green proposals.
- 1.7 Removing the Colchester Square public realm improvements from the scope of works would enable the funding allocated to this project (£110,000) to be reallocated to the Front Green project. It is also requested that the surplus, unused funding of £255,000 from the Barmore Road project is reallocated to the Front Green project. This will not impact upon the now completed Barmore Road project.

Ardrishaig

- 1.8 Following further consultation on the Ardrishaig North Public Realm, a developed design has been prepared. Following sign off on this design, consents can be sought and then work can commence on the procurement of the contractor for construction. It is hoped that procurement can commence spring 2021 in the expectation that works can start during summer 2021.
- 1.9 Phase 1 of the Gleaner Site, the Egg Shed, was completed in August 2019. Discussions have been ongoing in relation to Phase 2 of the site. The Council's Active Travel team are progressing plans for pedestrian and cycle improvements by way of a link from Pier Square/Ardrishaig Harbour via the former Gleaner site into the Ardrishaig North Public Realm projects. This route may offer the opportunity to make safe the former Gleaner site so that it could be opened up for temporary uses.

Town Centre Fund

- 1.10 Through the Scottish Government's Town Centre Fund £33,500 has been allocated to Lochgilphead/Ardrishaig and £33,500 to Tarbert to deliver shop front improvement grants to retail businesses, these improvements will further support the projects being delivered by the Tarbert and Lochgilphead Regeneration Fund. The application process is currently open.

Recommendations

- 1.11 Members of the Mid Argyll, Kintyre and the Islands Area Committee are asked to:
- 1) note the progress made with the projects as detailed within the report; and
 - 2) recommend to Policy and Resources Committee that Tarbert and Lochgilphead Regeneration funding of £365,000 is reallocated to the Lochgilphead Front Green project (comprising £110,000 currently allocated to the Argyll Street project which is proposed to be delivered through another funding route and £255,000 underspend in relation to the Barmore Road junction improvement).

Tarbert and Lochgilphead Regeneration Fund – Projects Update

2.0 INTRODUCTION

- 2.1 This report provides an update on the six projects which Mid Argyll, Kintyre and the Islands Area Committee agreed on 6 September 2017 (ratified by Policy and Resources Committee) should form the Tarbert and Lochgilphead Regeneration Fund and proceed to full business case. The projects include:

Project Ref.	Project	Status
T02	Barmore Road (A83)/Garvel Road junction improvement	Complete
T11	Tarbert Harbour facilities	Phase 1 complete, phase 2 ongoing
LA10	Lochgilphead Front Green	Ongoing
LA11	Argyll Street	Ongoing
LA13	Ardrishaig North Public Realm Improvements	Ongoing
LA17	Gleaner Oil Site	Phase 1 complete, phase 2 ongoing

Whilst some projects have been successfully completed as agreed our focus is on successfully delivering the remaining agreed projects. Significant challenges have arisen during these projects and full updates are provided below.

Also included in this report is an overview of Town Centre Funding allocated to Tarbert, Lochgilphead and Ardrishaig.

3.0 RECOMMENDATIONS

- 3.1 Members of the Mid Argyll, Kintyre and the Islands Area Committee are asked to:
- 1) note the progress made with the projects as detailed within the report; and
 - 2) recommend to Policy and Resources Committee that Tarbert and Lochgilphead Regeneration funding of £365,000 is reallocated to the Lochgilphead Front Green project (comprising £110,000 currently allocated to the Argyll Street project which is proposed to be delivered through another funding route and £255,000 underspend in relation to the Barmore Road junction improvement).

4.0 DETAIL

4.1 Barmore Road (A83)/Garvel Road junction improvement (T02)

The works to the junction were finished to the planned specification in February 2020 and this project is now fully completed. The works were undertaken by Argyll and Bute Council Roads and Infrastructure Service staff and delivered within budget and with an underspend of £255,000 against anticipated costs at outline business case stage.

4.2 Tarbert Harbour Facilities (T11)

This project is being delivered by Tarbert Harbour Authority and a grant is to be provided by the Tarbert and Lochgilphead Regeneration Fund. The first stage of works included funding of £125,000 for improvements to the shore side facilities including new wash, laundry, waste and fuelling facilities. This work has been fully completed. Tarbert Harbour Authority were able to secure additional funding in relation to this project and for every £1 of funding from the Tarbert and Lochgilphead Regeneration Fund a further £4.92 of additional funding was achieved.

4.3 The second element of works at Tarbert Harbour relates to improvements and extensions to their car parking facilities. Work has commenced on this project but was subject to delays. Work is currently in progress again and is expected to be completed during early 2021. The allocated grant funding for this project remains available.

4.4 Lochgilphead Front Green (LA10) and Argyll Street/Colchester Square (LA11)

Due to their proximity and their similarities it was previously agreed to combine the two Lochgilphead projects. Some additional funding has been secured and the budget is set out in Appendix 1.

4.5 A provisional Full Business Case (FBC) was agreed at MAKI and Policy and Resources Committees in December 2019. Prior to the preparation of the FBC, costs were constantly monitored by independent quantity surveyors to minimise the risk and ensure that we remain within budget. At detailed design stage, costs were within budget. The total budget includes construction costs as well as professional fees and all other charges and costs associated with the project.

4.6 A two stage procurement process was undertaken with a European Single Procurement Document (ESPD) published on 15 October 2019. Following assessment of the first stage submissions, there was a pause whilst third party landownership issues were resolved, now completed. An Invitation to Tender (ITT) was issued on Public Contracts Scotland on 17 March 2020 with an expected closing date of 14 April 2020. Unfortunately due to restrictions associated with the Coronavirus pandemic, and specifically the closure of construction sites and the associated construction industry, it was necessary to extend the deadline for responses until 23 June 2020. It was felt that this delay was necessary due to the closure of many supply chain businesses and the general uncertainty surrounding when construction sites would be able to operate again and what restrictions would be put in place with regards to social distancing

etc. At the date for tender submission lockdown had been lifted and the construction re-start plan was in the process of being implemented.

- 4.7 Unfortunately following assessment of the bids submitted, it was deemed that the scheme was not able to be delivered within the budget available and that progressing with the tender would not have represented value for money for the Council. In addition, the delays in the procurement would have resulted in a timetable for delivery which would have commenced during the winter, a time when the site is vulnerable to flooding and storm damage.
- 4.8 Work has now commenced on a re-tender process through which will be seeking to deliver a revised scheme. It is believed that the tender returns were impacted by the Covid-19 pandemic, and the associated lockdown, and the cost consultants are taking this into account in costing the revised scheme to ensure that the estimated costs are as accurate as possible. It is however noted that without additional funding being identified it will not be possible to deliver all of the elements of the scheme which have been proposed. Failure to secure the requested funding will put at risk external funding allocated to the project and cause additional delays in terms of project delivery. We are seeking additional funding to cover the additional professional fees of the design team associated with the redesign and retender so that this doesn't impact upon funding available for construction.
- 4.9 The ESPD for the retender was published in November 2020 and it is expected that the Invitation to Tender will be issued in January 2021 with a view to having a contract in place in March 2021. Consideration was given to combining this procurement exercise with Ardrishaig Public Realm, as was previously proposed, however this is not possible due to the deadline for the Town Centre Fund (contract to be awarded by March 2021) in relation to the Front Green project and the ongoing design and consenting work in relation to Ardrishaig.
- 4.10 The Executive Director with responsibility for Development and Economic Growth has been given delegated authority to approve the final full business case for the project and following conclusion of the tender assessment process this will be progressed.
- 4.11 In considering the delivery of the project it has been identified that there is an opportunity to deliver the Colchester Square public realm proposals through a separate funding source. Work is ongoing in relation to this and a verbal update will be provided at Committee. It is hoped that these works can be delivered in early 2021 as a separate project to the Front Green. Improvements in this area will not only support the Front Green project but also the Lochgilphead Conservation Area Regeneration Scheme, which is focused on this area of the town centre.
- 4.12 Removing the Colchester Square public realm improvements from the scope of works would enable the funding allocated to this project (£110,000) to be reallocated to the Front Green project which would assist with delivering as many of the design proposals as possible. In order to deliver the Front Green improvement scheme in line with the approved designs, which have been the

subject of public consultation, additional funding will also be required. It is therefore also requested that the unused surplus funding of £255,000 from the Barmore Road project is reallocated to the Front Green project. Allocation of this funding will not in any way impact the delivery of the agreed projects within Tarbert as the Barmore Road junction project is completed and costs paid in full. It will however help to deliver the Lochgilphead Front Green improvements and secure the allocated Town Centre Funding. Failure to secure the requested funding would increase professional costs associated with the project, introduce further delays and likely result in the loss of external funding.

Ardrishaig North Public Realm (LA13)

- 4.13 This project has also been awarded additional funding and the total budget currently stands at:

Project Ref.	Project	T&LRF Allocation	Additional Funding	Total Funding
LA13	Ardrishaig North Public Realm Improvements	£330,000	£96,800 Sustrans	£426,800

A further application for funding has been made to Sustrans to cover a contribution towards construction costs, a decision is expected during Spring 2021.

- 4.14 Consultation with the local community on the concept design highlighted a number of concerns about the proposed crossing point over the A83, particularly from local businesses. As a result, further investigation of alternatives was undertaken and a revised concept design issued for further consultation. This design removed a proposed formal crossing point and sought to use traffic calming measures to slow vehicle speeds and increase safety in the area.
- 4.15 An online consultation was held between 8th-28th June 2020. The consultation was held online only due to Covid-19 lockdown restrictions. A standalone consultation web page was developed to host the consultation, www.ardrishaig.net, and contact telephone numbers were provided to allow people without internet access the opportunity to comment. The design drawings and contact numbers were also put on display in the Ardrishaig Community Trust office window. The web page was visited by 571 new users 741 times. A total of 44 surveys were returned and 73% of respondents agreed or strongly agreed that the proposals would be good for the community.
- 4.16 Following this consultation a developed design has been prepared and a further public consultation is due to take place in December. Following sign off on this design, consents can be sought and then work can commence on the procurement of the contractor for construction. It is hoped that procurement works can commence spring 2021 in the expectation that works can start during summer 2021.

Ardrishaig Gleaner Site (LA17)

- 4.17 This project is being delivered by Scottish Canals with a grant being provided through the Tarbert and Lochgilphead Regeneration Fund. Phase 1 of the

Gleaner Site, the Egg Shed, was completed and formally opened in August 2019. The Tarbert and Lochgilphead Regeneration funding towards this part of the project has been fully paid out. For every £1 of funding from Tarbert and Lochgilphead Regeneration Fund a further £5.60 of additional funding was secured, including Scottish Government Regeneration Capital Grant Fund which was awarded to Argyll and Bute Council specifically for the project.

In September 2020, the Egg Shed won the Regeneration category in the Scottish Design Awards - <https://2020.scottishdesignawards.com/architecture-regeneration/ardrishaig-harbour-regeneration/>.

- 4.18 Discussions have been ongoing in relation to Phase 2 of the site, this is the area north of the Egg Shed including the former oil tank storage area and buildings. At present there is no future occupier for the site and as a result no firm plans for its long term development.
- 4.19 The Council's Active Travel team has secured funding through Sustrans to prepare initial designs for pedestrian and cycle improvements by way of a link from Pier Square/Ardrishaig Harbour via the former Gleaner site into the Ardrishaig North Public Realm projects. This route may offer the opportunity to make safe the former Gleaner site so that it could be opened up for temporary uses. Officers continue to work with Scottish Canals and will forward further proposals in due course. The timescale for this work is not yet fixed and will depend upon successfully securing Sustrans funding.

Town Centre Fund

- 4.20 Separate to the Tarbert and Lochgilphead Regeneration Fund, Argyll and Bute Council has been awarded a further £444,000 of funding through the Scottish Government's Town Centre Fund. The allocation of funding was considered by Council and the following has been identified for the benefit of the settlements of Tarbert, Lochgilphead and Ardrishaig:

Project	Outputs	Town/ Settlement	Town Centre Fund (£)	Anticipated Total Project Value (£)	Afford- ability
Small-scale shopfront improvement grant	20+ shopfronts to build on the shop local initiative	Lochgilphead /Ardrishaig	33,500	60,000	Owners required to contribute
		Tarbert	33,500	60,000	

It is expected that this funding will help to further regenerate these settlements and will be complementary to the projects underway. Applications are currently being invited with a deadline of 5pm, Friday 18th December 2020. Further information can be found at www.argyll-bute.gov.uk/town-centre-shopfront-improvement-grant.

5.0 CONCLUSION

- 5.1 Funding through the Tarbert and Lochgilphead Regeneration Fund has

successfully completed a number of projects in Tarbert and Ardrishaig. The main focus of activity is on delivering the remaining of the agreed six projects which form the Tarbert and Lochgilphead Regeneration Fund. Progressing these projects continues to be challenging particularly given the uncertainties created by the Coronavirus Pandemic and the UK leaving the European Union. Unfortunately initial tendering has highlighted that costs have increased during the design phase and that additional budget will be required to enable the remaining works to be completed. Confirmed underspend within the Fund can help to secure delivery of these remaining projects. Despite delays to these projects, we continue to progress towards securing contractors during the Spring of 2021 for the remaining Council projects so that works can be completed over the summer and winter period. There remain a high number of risks associated however these will continue to be monitored and managed where possible. Should an underspend remain once the agreed six projects have been completed this will be reported to Committee so that arrangements can be agreed as to how this should be allocated.

- 5.2 These projects will be further enhanced through a programme of shop front improvement grants delivered separately as a result of the Town Centre Fund.
- 5.3 The six projects are agreed by committee and well supported by their local communities and once delivered will help to build a momentum for change and improvement within the three communities which will be complemented by other ongoing projects being delivered by the Council, public, private and third sector partners.

6.0 IMPLICATIONS

6.1 Policy

The projects will support the overarching objective and long term outcomes of the Council's Corporate Plan, Argyll and Bute Outcome Improvement Plan, the Local Development Plan, the Economic Strategy. It will deliver the Tarbert and Lochgilphead Regeneration Fund.

6.2 Financial

A total of £3 million is allocated through the Tarbert and Lochgilphead Regeneration Fund. Expenditure at October 2020 is £634,000 including the grants made for Tarbert Harbour, Gleaner Phase 1 site, design and consent fees.

6.3 Legal

Working with procurement colleagues in regard to management of contracts and tendering process. Lease with third party progressed by the legal team.

6.4 HR

Support required from colleagues across the Council particularly Roads and Amenity Services who are the asset owners for the Lochgilphead sites and Ardrishaig North.

6.5 Fairer Scotland Duty:

6.5.1 Equalities - protected characteristics

Equalities and Socio Economic Impact Assessments have been carried out.

6.5.2 Socio-economic Duty

See above

6.5.3 Islands

No impacts anticipated.

6.6. Risk

There remain a number of risks associated with all the ongoing projects including those associated with external funding, public perception, construction working, costs, covid-19 and Brexit etc. Project Risk Registers are being maintained.

6.7 Customer Service

None at this time

Appendix 1: Lochgilphead Front Green Budget EXEMPT

Kirsty Flanagan – Executive Director with responsibility for Development and Economic Growth

Policy lead – Alastair Redman

24 November 2020

For further information contact:

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