
ARGYLL AND BUTE COUNCIL

**MID ARGYLL, KINTYRE AND THE
ISLANDS AREA COMMITTEE**

**DEVELOPMENT AND
ECONOMIC GROWTH**

1ST DECEMBER 2021

**Tarbert and Lochgilphead Regeneration Fund - Ardrishaig North Public Realm
Full Business Case**

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide Members with an update on the Tarbert and Lochgilphead Regeneration Fund project Ardrishaig North Public Realm (LA13) and to seek approval of the draft Full Business Case for this project
- 1.2 A Full Business Case has been developed and the procurement for the construction phase will conclude shortly and will confirm the project costs.

Recommendations

- 1.3 Members of the Mid Argyll, Kintyre and the Islands Area Committee are asked to note the progress made with the project and recommend to Policy and Resources Committee that:
1. The draft full business case for Ardrishaig is approved and that Council funding of up to £330,000 is confirmed for the Ardrishaig North Public Realm Project from the Tarbert and Lochgilphead Regeneration Fund.
 2. To delegated approval of the final Full Business Case for Ardrishaig North Public Realm to the Executive Director for Development and Infrastructure Services subject to it being demonstrated that this is within the approved budget of and to then move to implementation.
 3. Delegated authority be afforded to the Executive Director for Development and Infrastructure Services for the delivery of the project.

Tarbert and Lochgilphead Regeneration Fund –Ardrishaig North Public Realm Full Business Case

2.0 INTRODUCTION

2.1 This report provides an update on the Tarbert and Lochgilphead Regeneration Fund project Ardrishaig North Public Realm (LA13) and to seek approval of the draft Full Business Case for this project

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 The Ardrishaig North Public Realm project was one of the six approved projects. The allocation of funding approved via the Tarbert and Lochgilphead Regeneration Fund was £330,000. Additional funding has also been secured for the project. The total funding to date for the project is shown in the table below.

Project Ref.	Project	T&LRF Allocation	Additional Funding	Total Funding
LA13	Ardrishaig North Public Realm Improvements	£330,000	<ul style="list-style-type: none">• Sustrans £86,600• Green Travel Initiatives Fund £140,000• Crown Estates £50,000• HITRANS £50,000*• Cycling Walking Safer Routes £60,000*	£716,600

* Funding needs to be spent by 18 March 2022

- 2.4 It was previously agreed that a full business cases for each of the projects will be submitted for consideration by the Mid Argyll, Kintyre and the Islands and the Policy and Resource Committee as they become available. However due to some external funding needing to be spent by 18 March 2022 it is recommended that the committee considers a draft version of the full business case and delegates authority to approve the full business case to the Executive Director for Development and Infrastructure Services. This report provides an update on the project and the preparation of the Full Business Cases.

3.0 RECOMMENDATIONS

- 3.1 Members of the Mid Argyll, Kintyre and the Islands Area Committee are asked to note the progress made and recommend to Policy and Resources Committee that:
1. The draft full business case is approved and that Council funding of up to £330,000 is confirmed for Ardrishaig North Public Realm from the Tarbert and Lochgilphead Regeneration Fund.
 2. To delegated approval of the final Full Business Case for Ardrishaig North Public Realm the Executive Director for Development and Infrastructure Services subject to it being demonstrated that this is within the approved budget and to then move to implementation.
 3. Delegated authority be afforded to the Executive Director for Development and Infrastructure for the delivery of the project

4.0 DETAIL

- 4.1 An update to Mid Argyll, Kintyre and the Islands Area Committee in September 2019 proposed to bring Full Business Cases (FBC) for this project back to this committee for approval.
- 4.2 Design work for this project has been prepared by ERZ Ltd and their supporting consultants. Following the sign off of the concept design, ERZ worked on the developed design and technical design stages for the project.
- 4.3 A public consultation on the detailed design for Ardrishaig North took place between 8th June 2021 and 28th June 2021. The feedback in relation to the project was generally positive although some issues were raised in relation to the proposed road crossing and relocation of bus layby.
- 4.4 A risk that was identified early on was the projects reliance on external funding primarily coming from the one funder-Sustrans. Assurances were given throughout the design stages that Sustrans fully supported the design and they awarded the project £86,600 towards the design costs. However unfortunately despite close working with and input from Sustrans the request to Sustrans for funding towards the projects construction costs was turned down and resulted in and additional funding being sought from other sources.
- 4.5 Additional funding for the project was secured through the Councils Green

Travel Fund Initiative, HITRANS and Cycling Walking Safer Routes. Unfortunately the additional funding from these sources did not match the level of funding requested from Sustrans and a value engineering exercise was required to be carried out. The value engineering exercise resulted in dividing the design into a core design with supplementary elements. The core design focused on improvements to the waterfront area and around the North Hall as these were the areas identified by the community as being in most need of improvement. Although the core scheme will improve the connectivity between the waterfront area and the Crinan Canal through the relocation of a bus layby and signage it does not include a proposal for any type of formal road crossing. The local community and key stakeholders have been kept fully informed of the changes to the scope of the project.

- 4.6 The planning application for the project (21/00868/PP) was approved on 30 September. The application received one objection relating to the proposed formal road crossing and associated road markings and a request to leave the bus stop where it is. A formal road crossing is not part of the core design for the project. However the bus stop layby will be relocated in order to accommodate the new public space outside the North Hall
- 4.7 A cost estimate based on the detailed designs has been prepared by our cost consultants and this has been used to inform the draft Full Business Case (FBC). The invitation to tender for the projects was issued on 29th October 2021 and the returned tenders are to be returned by 26th November 2021 and evaluated by 21 January 2022 to allow a contractor to be appointed 31st January 2022. Once returned tenders have been evaluated we will be able to update the FBC prior to delegated approval by the Executive Director.
- 4.8 As the project involves a Council asset, the FBC has been prepared in accordance with the Capital Programme Planning and Management Guide. This includes a detailed Risk Log Worksheet (Appendix 2) that sets out the chance, impact and mitigating actions for each risk.
- 4.9 Once the procurement process has been completed the full FBC will be assessed and scored using the assessment criteria and weightings as agreed by the Strategic Assessment Management Board. The overall score is rated in accordance with the following table:

Business Case Score	Rating
80% -100%	4 (Max.)
70% - 79%	3
60% - 69%	2
Less than 60%	1 (Min.)

Full Business Cases should attain a rating of 4 for them to be considered for progression to the implementation stage.

- 4.10 If procurement proceeds as planned, it is expected that a contract will be awarded by 31 January 2022 with onsite works starting 22nd February 2022

5.0 CONCLUSION

- 5.1 The project is on track and on the basis of the assessment it is recommended that Council funding of up to £330,000 is confirmed for the Tarbert and Lochgilphead Regeneration Fund. Responsibility for the delivery of the project will be delegated to the Executive Director for Development and Infrastructure Services. This project will deliver a key component of the Tarbert and Lochgilphead Regeneration Fund.
- 5.2 A further report will come before MAKI in 2022 to update members as to progress on this project.

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. It will deliver a key component of the Tarbert and Lochgilphead Regeneration Fund.

6.2 Financial

At November 2021 £86,863 had been spent on the design work for the project.

There is a further commitment of £30,473 in design fees. The maximum cost to the Tarbert and Lochgilphead Regeneration Fund for the Lochgilphead projects is £330,000 (to include all fees and charges) and current cost estimates indicate that the proposed scheme can be delivered within the budget.

6.3 Legal

Working with procurement colleagues in regard to management of contracts and tendering process. Procurement are also in discussion with Ardrishaig Community Trust regarding a License to Occupy for work on land owned by the Trust

6.4 HR

None

6.5 Fairer Scotland Duty:

6.5.1 Equalities - protected characteristics

An Equalities Impact Assessment has been carried out

6.5.2 Socio-economic Duty

See above

6.5.3 Islands

N/A

6.6 Risk

If the contract is not awarded by 31st January 2022 there is a risk the project will miss the deadline of the 18th March by which time £110,000

from Cycling Walking Safer Routes and HITRANS funding is required to be spent and this funding will be lost

There is a risk the project will not meet public expectation given that there is a limited budget however we have undertaken consultation with the community and key stakeholders at each key stage to mitigate this as much as possible.

There is a risk that the returned tenders exceed project budget.

For full detail on project risks please refer to Project Risk Register in Appendix 2.

6.7 Customer Service
None at this time

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

11 November 2021

For further information contact:

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APPENDICES

Appendix 1 Draft Full Business Case for Lochgilphead Front Green and Colchester Square (Confidential)

Appendix 2 Risk Register