

**CONSERVATION AREA REGENERATION SCHEME (CARS) PROJECT – 104-110
ARGYLL STREET, DUNOON**

1.0 EXECUTIVE SUMMARY

- 1.1 The Dunoon Conservation Area Regeneration Scheme (CARS) is a grant programme focussing on the regeneration of historical buildings as well as traditional skills training and community engagement. Dunoon CARS is jointly funded by Historic Environment Scotland and Argyll and Bute Council.
- 1.2 Argyll and Bute Council have recognised a need for greater economic development and regeneration activities within Dunoon particularly the town centre.
- 1.3 106- 110 Argyll Street is the Dunoon CARS final priority building and comprises of two ground floor commercial units and two first floor flats. The aim is to bring the building back to a good level of repair allowing 3 commercial and 1 residential unit to be brought back into use and improving 1 other residential unit.
- 1.4 The Dunoon CARS Officer, Empty Homes Officer and Housing Improvement Officer have been working with this property since 2019. Delays due to COVID & ownership have meant the original projected costs have escalated above the remaining CARS budget by £75,000. The Private Sector Housing Grant (PSHG) budget for 2022/23 is well within budget, and providing the gap funding to facilitate this project aligns with the key aims of the PSHG to extend the life of capital assets.

RECOMMENDATIONS

Members consider and approve the utilisation of the Private Sector Housing Grant (PSHG) to award an additional £75k grant to the 106-110 Argyll Street Dunoon CARS project, thus providing essential gap funding to facilitate the restoration of these buildings.

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2.0 INTRODUCTION

- 2.1 This report outlines the gap funding that exists in the final priority building of the Dunoon Conservation Area Regeneration Scheme (CARS). The CARS is jointly funded by Historic Environment Scotland and Argyll and Bute Council. The report requests utilisation of an additional £75,000 grant funding from the PSHG to cover that gap and facilitate this key project.

3.0 RECOMMENDATIONS

- 3.1 Members approve the utilisation of the Private Sector Housing Grant (PSHG) to award an additional £75k grant to the 106-110 Argyll Street Dunoon CARS project, thus providing essential gap funding to facilitate the restoration of these buildings.

4.0 DETAIL

- 4.1 106 - 110 Argyll Street is the Dunoon CARS final priority building and comprises of two ground floor commercial units and two first floor flats. It is located in a prominent position along Dunoon's main shopping street and is directly across the road from the August 2021 fire site. One of the residential units is not fit for human habitation and has been classified as an empty home due to the wet rot caused by the level of water ingress into the property, both commercial units are also vacant due to water ingress issues.
- 4.2 The property at 104 Argyll Street shares a chimney, parapet gutter, downpipes and skews with 106-110 and has agreed to pay their share of the common works. 104 consists of a two storey commercial unit which is also currently vacant due to water ingress issues.

- 4.3 106-110 Argyll Street needs a new roof, rainwater goods and extensive rot works to make it wind and watertight. The aim is to bring the building back to a good level of repair to allow the 3 commercial and 1 residential unit to be brought back into use. The health and wellbeing of the tenant in the other residential unit will also be improved due to the works.
- 4.4 The Dunoon CARS Officer, Empty Homes Officer and Housing Improvement Officer have been working with this property since 2019. The hope was to get the works started in 2020, however, covid and the sale of the TSB bank (110 Argyll Street) put this project on hold. We finally made contact with the new owners of 110 Argyll Street in late 2021 and the project resumed but by this time the construction and material rates had risen to above what we had left in the CARS budget.
- 4.5 The CARS priority building grants are normally 80% of the total eligible project costs. Unfortunately due to the above reasons, we only have 56% to offer on this project and there is a £75,000 project shortfall as shown in the bullets below, and without which the works cannot proceed:
- Total project cost based on the tender returns and value engineering - £285,000
 - Total CARS grant available from Historic Environment Scotland and A&B Council - £160,000
 - The current eligible calculated PSHG - £30,000
 - Total owners contributions - £20,000.00
 - Shortfall is currently - £75,000
- 4.6 The proposal is to utilize additional grant funding from the PSHG to fill the £75,000 gap. PSHG should be spent on capital projects such as; adding value to an asset, extending the life of an asset, or acquiring a new asset. The proposed works described in this paper meet the finance parameters for PSHG spend. Although this is a larger grant level than usual for PSHG it will fall well within the available PSHG budget remaining for this financial year which would otherwise remain unspent, and will facilitate the completion of this key project within the Dunoon CARS scheme.

5.0 CONCLUSION

- 5.1 The additional funds proposed would safeguard the fabric of the building, provide the best opportunity for 3 commercial units and one residential units to be brought back into use, and greatly improve the health and wellbeing of the occupiers of an additional residential unit.
- 5.2 The project has brought the owners closer and an Owners Association has been formed. A tenement condition survey has been carried out and the report and

cost plan will provide the Association with the maintenance schedule for future works.

- 5.3 This project cannot go forwards without the additional funding, and facilitating it from within the otherwise unspent PSHG budget will allow the completion of the final priority Dunoon CARS building.

6.0 IMPLICATIONS

- 6.1 Policy - The Outcome Improvement Plan, Economic Strategy and Local Development Plan support town centre regeneration and a diverse and thriving economy.
- 6.2 Financial The proposed use of PSHG grant funding falls within the criteria for use of PSHG and will appropriately utilise capital budget which will otherwise remain unspent in this financial year.
- 6.3 Legal – Grant contracts will be provided to third parties.
- 6.4 HR - A dedicated project officer has been recruited for the duration of the Dunoon CARS project. Staff salaries are included within the project budget.
- 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 Climate Change – Extremes of weather caused by climate change will continue to put buildings under pressure. These projects help property owners undertake large scale maintenance projects under the supervision of conservation accredited architects which ensures they are future proofed against climate change, using traditional building materials.
- 6.7 Risk - That grant schemes are undersubscribed or that projects run over time or budget. These risks will be carefully monitored and mitigation measures introduced on a case by case basis.
- 6.8 Customer Service - The council is responsible for administering the CARS grants on behalf of HES and for ensuring due diligence in the performance of its duties.

Kirst Flanagan Executive Director with responsibility for Development and Economic Growth

Councillor Robin Currie, Policy Lead for Economy and Rural Growth

29th September 2022

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APPENDICES

Appendix 1: Photographs



Photograph showing the front elevation of 104-110 Argyl Street, Dunoon



Photograph showing the interior of 106 Flat 1 taken in January 2020 showing the level of water ingress and rot