

**CONSERVATION AREA REGENERATION SCHEME (CARS) PROJECT****3-17 COLCHESTER SQUARE, LOCHGILPHEAD**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 The Lochgilphead 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. Lochgilphead CARS is jointly funded by Historic Environment Scotland and Argyll and Bute Council.
- 1.2 Argyll and Bute Council has recognised a need for greater economic development and regeneration activities within Lochgilphead particularly the town centre.
- 1.3 3-17 Colchester Square (see Appendix 1) is one of four priority buildings for Lochgilphead CARS and comprises of two ground floor commercial units and two first floor residential flats. The aim is to bring the building back to a good level of repair, safeguarding the future of 2 businesses and 2 residential units.
- 1.4 The Lochgilphead CARS Officer and Housing Improvement Officer have been working with this property since 2021. The project development phase has been completed and a report has been submitted to the Mid-Argyll, Kintyre and the Islands Area Committee meeting on 7<sup>th</sup> December 2022, requesting approval to award CARS grant funding of £241,808.68. The grant figure was based on the last available cost plan. At the time of writing the first draft report, the project was fully funded.
- 1.5 Following the submission of the first draft report to MAKI Area Committee in early November, the construction tender process was concluded on 21<sup>st</sup> November 2022. Due to inflation, including the increasing cost of building materials, the original projected costs have escalated by £42,642.24.
- 1.6 The private owners of the building have agreed to contribute another £2,000 (£500 per unit). This leaves a shortfall of £40,642.24. There is capacity within the Private Sector Housing Grant (PSHG) budget for 2022/23, 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**

It is recommended that the Policy and Resources Committee consider and approve the utilisation of the Private Sector Housing Grant (PSHG) to award an additional £40,642.24 grant to the 3-17 Colchester Square, Lochgilphead CARS project, thus providing essential gap funding to facilitate the restoration of this building.

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**2.0 INTRODUCTION**

- 2.1 This report outlines the gap funding that exists in the second priority building of the Lochgilphead 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 £40,642.24 grant funding from the PSHG to cover that gap and facilitate this key project.

**3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Policy and Resources Committee consider and approve the utilisation of the Private Sector Housing Grant (PSHG) to award an additional £40,642.24 grant to the 3-17 Colchester Square, Lochgilphead CARS project, thus providing essential gap funding to facilitate the restoration of this building.

**4.0 DETAIL**

- 4.1 3-17 Colchester Square is a two-storey terrace building occupying a key location in Lochgilphead town centre (see Appendix 1). It acts as a gateway building not only for Colchester Square but for the progression of Argyll Street beyond which is the primary commercial/shopping street in Lochgilphead. It is one of four Lochgilphead CARS priority buildings and comprises of two ground floor commercial units and two first floor flats.
- 4.2 The private owners formed an Owners Association to manage the repair and future maintenance of the property. They appointed a conservation accredited Design Team to develop and manage the building repair project on their behalf.

- 4.3 A grant approval recommendation report has been submitted to the Mid Argyll, Kintyre and the Islands Area Committee meeting for consideration on 7<sup>th</sup> December 2022 requesting approval to award CARS grant funding of £241,808.68, based on a total projected cost of £291,988.68. At the time of writing that first draft report the project was fully funded as follows:

Lochgilphead CARS (Funding from HES and Council)	£241,808.68
Private Sector Housing Grant (4 standard grants)	£32,180.00
Private owners contribution	£18,000.00
Total project cost	£291,988.68

- 4.4 Following the submission of the first draft MAKI report, the construction tender process was concluded on 21<sup>st</sup> November 2022. Due to inflation, including the increasing cost of building materials, the total project costs have escalated by £42,642.24 to £334,630.92. The initial increase in cost was higher but the Design Team carried out a savings exercise, removing a number of items. The remaining scope of works covers all essential items including partial re-slate of roof, full leadwork replacement, lime harling to chimney stacks, new stone copes to chimney stacks, removal of small chimney stack to north gable and the replacement of gutters in cast iron. All works are in line with HES's advisory standards of repair.
- 4.4 Following discussions, the building owners have agreed to contribute an additional £2,000 (£500 per unit). This takes the total contribution from the building owners to £20,000.
- 4.6 The proposal to this Committee is to utilize additional grant funding from the PSHG to fill the outstanding £40,642.24 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 within the available PSHG budget remaining for this financial year, and will facilitate the completion of this key project within the Lochgilphead CARS scheme.

## 5.0 CONCLUSION

- 5.1 The additional funds proposed would help to carry out extensive repairs to the fabric of the building, helping to safeguard 2 businesses and 2 homes. This project will build on the investment to date in Lochgilphead town centre and encourage other building owners to maintain and repair their properties.

## **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 available for 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 Lochgilphead 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 Liz McCabe, Policy Lead for Islands and Business Development**

**Councillor Robin Currie, Policy Lead for Economy and Rural Growth**

24<sup>th</sup> November 2022

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## **APPENDICES**

Appendix 1: Photograph showing the front elevation of 3-17 Colchester Square,  
Lochgilphead

**APPENDIX 1: PHOTOGRAPH SHOWING THE FRONT ELEVATION OF 3-17 COLCHESTER SQUARE, LOCHGILPHEAD.**

