

LOCHGILPHEAD CARS - RECOMMENDATION OF GRANT AWARD

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to ask Members to agree grant awards to the owners of 3-17 Colchester Square, Lochgilphead using Lochgilphead Conservation Area Regeneration Scheme (CARS) funding. The report also includes an update on the progress of Lochgilphead CARS.
- 1.2 The total value of the grant awards is two hundred and forty-one thousand, eight hundred and eight pounds and sixty-eight pence (£241,808.68). The award represents grant towards the repair and conservation of one tenement building.
- 1.3 The grant award would be based on all criteria having been met and will support the delivery of approved project outcomes, as agreed by Historic Environment Scotland.
- 1.4 Lochgilphead CARS is being delivered over a six-year period and will conclude on 31 March 2026. A full funding package is in place, with expenditure monitored on a regular basis. There is sufficient funds in place to make the recommended award under the scheme.
- 1.5 At the time of writing the first draft report the project was fully funded. Following the submission of the draft report, the construction tender process was concluded on the 21st November 2022. Due to inflation, including the increasing cost of building materials, the 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.
- 1.7 A separate report has been submitted for consideration at the Policy and Resources committee meeting on 8th December 2022, requesting an additional £40,642.24 PSHG for the 3-17 Colchester Square project.

RECOMMENDATION

It is recommended that the Mid Argyll, Kintyre and the Islands Area Committee:

- a) Approve the grant offers of up to £241,808.68 to the owners of 3-17 Colchester Square, Lochgilphead; and
- b) Agree to delegate the issue of the grant contract to the Executive Director with responsibility for Development and Economic Growth in consultation with the Chair of the Area Committee only once all necessary checks have been completed.

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2.0 INTRODUCTION

- 2.1 The purpose of this report is to ask Members to agree grant awards to the owners of 3-17 Colchester Square, Lochgilphead using Lochgilphead Conservation Area Regeneration Scheme (CARS) funding. The report also includes an update on the progress of Lochgilphead CARS.
- 2.2 The value of the grant award is two hundred and forty-one thousand, eight hundred and eight pounds and sixty-eight pence (£241,808.68). The award represents grant towards the repair and conservation of one building.
- 2.3 The property is a named priority for Lochgilphead CARS, as such grant levels and the grant recipients are based on project budget allocations and agreed with Historic Environment Scotland (HES). The proposed grants are based on the lowest tender return following a competitive tender exercise.
- 2.4 The applications for grant aid have been fully assessed against Lochgilphead CARS project criteria and agreed with HES.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Mid Argyll, Kintyre and the Islands Area Committee:
- a) Approve the grant offer of up to £241,808.68 to the owners of 3-17 Colchester Square, Lochgilphead; and
 - b) Agree to delegate the issue of the grant contract to the Executive Director with responsibility for Development and Economic Growth in consultation with the Chair of the Area Committee only once all necessary checks have been completed.

4.0 DETAIL

- 4.1 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 jointly funded by Historic Environment Scotland (HES) and Argyll and Bute Council. The total grant fund

available is £1,257,400. This figure includes additional monies approved via the Place Based Investment fund for 2022/23.

- 4.2 Lochgilphead CARS started in April 2020 and was due to conclude in March 2025. Due to the pandemic HES offered a one-year extension. This offer was accepted and the scheme will now run to March 2026.
- 4.3 A full funding package is in place, with expenditure monitored on a monthly basis. The project seeks to safeguard Lochgilphead's heritage by supporting property owners to return their buildings and shopfronts to a good state of repair, which in turn increases the attractiveness of Lochgilphead's town centre.
- 4.4 This report seeks to outline a grant award to support the comprehensive repair and conservation of 3-17 Colchester Square Lochgilphead, a two-storey terrace building set at the commencement of Colchester Square. The building is in commercial use with the exception of two flats to the upper floor. In respect of the grant funded repair works there are four separate units involved. The property is one of four priority buildings for Lochgilphead CARS.
- 4.5 The total project budget of £291,988.68 has been agreed with HES and includes:
 - CARS grant funding (HES and Argyll and Bute Council funding)
 - Private Sector Housing Grant
 - Private owner contribution.
- 4.6 The scope of the contract comprises Lochgilphead CARS grant eligible works for the fabric repair to the exterior of the building incorporating: 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.
- 4.7 The development phase has progressed as per the agreed timescales and the tender exercise has now been completed. It is proposed that work will start on site in spring 2023.
- 4.8 The grant applications have been fully assessed against Lochgilphead CARS project criteria. They fulfil all items on the application checklist and scoring matrix.
- 4.9 At the time of writing the first draft report the project was fully funded. Following the submission of the draft report, the construction tender process was concluded on 21st November 2022. Due to inflation, including the increasing cost of building materials, the 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.
- 4.10 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 and leaves a shortfall of £40,642.24 in the total project costs.

- 4.11 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. Taking this into account, a separate report has been submitted for consideration at the Policy and Resources committee meeting on 8th December 2022, requesting an additional £40,642.24 PSHG for the 3-17 Colchester Square project.
- 4.12 CARS third party grant contracts include a clawback condition covering the HES portion of the grant. If a grantee sells their property within fifteen years of the contract date they are required to repay a portion of the grant based on a sliding scale.
- 4.13 Priority Buildings – One of the key elements of a CARS is the named priority building projects. These buildings are agreed with Historic Environment Scotland (HES) as being the most suitable for repair and conservation works. Factors include: location, contribution to the built heritage and Place, current condition, listing and appearance. Grant funding is ring fenced to assist owners with the repair of these buildings subject to all grant conditions being met. There was originally three priority buildings but one building was removed and another two added. This was reported to the Area Committee in June 2022. The current priority building projects are as follows:
- 1 Argyll Street – Work started in early October 2022.
 - 2-4 Argyll Street – The owners have formed an Owners Association and obtained an updated building condition report. All owners are in agreement that comprehensive repairs are required. There has been a change of proprietor in the ground floor commercial unit. This has delayed the owners from appointing a Design Team to commence with final development works.
 - 6-10 Argyll Street – There is an active Owners Association in place and five of the six owners are ready to appoint a Design Team. This has been delayed until the RS McColl's takeover is completed.
 - 3-17 Colchester Square – As detailed in this report, design and development work has now been completed and the tender exercise has been concluded.
- 4.14 Other projects including Small Repairs Grants and shopfronts are being developed. One small grant project has been completed at Lochnell Street.
- 4.15 Traditional Skills Training - An important element of Lochgilphead CARS is the promotion and delivery of traditional and construction skills training to a range of stakeholders including; Lochgilphead High School pupils, Argyll College students, local contractors, building professionals and public sector staff involved in the repair and maintenance of historic buildings. We want to encourage young people to consider a career in construction and to upskill existing tradespeople.

Highlights to date include:

Argyll and Bute Traditional Building Skills Demo Day Roadshow across four towns in May 2022. Almost 200 pupils were given the opportunity to try their hand at construction skills including; stonemasonry, roof slating, thermal imaging and surveying. We are now planning for the next Lochgilphead CARS Traditional Skills Day in June 2023. Partners include; Lochgilphead High School, Developing Young Workforce and UHI Argyll.

MAKI Pups – Following the successful completion of Phase 1, UHI Argyll students are now working on Phase 2. This involves NPA Construction Craft Technician students manufacturing equipment for a local nursery.

The final report for the Argyll and Bute Construction Skills Audit has been published, highlighting the current and future shortage of building contractors in Argyll and Bute. Copies have been sent to all relevant stakeholders.

Further training is planned including the delivery a CPD event in early December.

- 4.16 Education and Outreach Activities – Due to the restrictions that were in place it was not possible to deliver any public events in 2020 or 2021. Fortunately, the situation has now improved and a number of events and activities are being planned and delivered in Lochgilphead town centre. In September, almost 100 people attended our Keeping Warm in Older Homes event. A number of partner organisations attended to provide advice and guidance to home owners and occupiers. In October, we delivered a two-day Historic Building Recording course attended by nine people.
- 4.17 All training and education events are published on the Lochgilphead CARS web pages: [Lochgilphead CARS Events and Training \(argyll-bute.gov.uk\)](https://www.argyll-bute.gov.uk/lochgilphead-cars-events-and-training)

5.0 CONCLUSION

- 5.1 The grants award will support the comprehensive repair of a prominent town centre property delivering one of the Lochgilphead CARS priority building projects, helping to safeguard homes and businesses whilst providing a boost to the local economy.

6.0 IMPLICATIONS

- 6.1 Policy - The Single Outcome Agreement (SOA) and Argyll and Bute Outcome Improvement Plan 2013-2023 support town centre Regeneration and a diverse and thriving economy.
- 6.2 Financial - To satisfy audit requirements we provide an update on the overall financial position of the scheme to the Environment, Development and Infrastructure Committee on a six monthly basis.

All grant funding is in place as part of the Lochgilphead CARS budget, including the Historic Environment Scotland grant and Council match funding which includes an element of Private Sector Housing Grant.

The scheme also relies on contributions from private building owners.

The total common fund will be £1,806,096.

The total grant funding to be committed is £1,257,400.

To date £188,156 has been committed.

6.3 Legal - None

6.4 HR - A dedicated project officer has been recruited for the duration of the 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 - This initiative invests in historic buildings with the designated town centre of Lochgilphead helping to extend the life of these buildings and maintain the viability of the town centre which is well served by bus links to other parts of Argyll and the Central Belt.

6.7 Risk - That the grant schemes are undersubscribed or that projects run over Time or budget. These risks will be carefully monitored and mitigated by the CARS project officer as schemes progress.

6.8 Customer Service - The Council is responsible for administering the CARS grants on behalf of Historic Environment Scotland and for ensuring due diligence in the performance of its duties.

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

**Councillor Liz McCabe, Policy Lead for Islands and Business Development
Councillor Robin Currie, Policy Lead for Economy and Rural Growth**

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