

## 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 for the remaining two priority building projects that form part of the Lochgilphead Conservation Area Regeneration Scheme (CARS). See below:
- Up to two hundred and twenty one thousand, nine hundred and thirty three pounds and twelve pence (£221,933.12) to the owners of 2-4 Argyll Street, Lochgilphead.
  - Up to one hundred and seventy five thousand, seven hundred and fifty pounds and eighty pence (£175,750.80) to the owners of 6-10 Argyll, Lochgilphead.
- 1.2 The grants would be based on all criteria having been met and will support the comprehensive repairs of two prominent buildings in multiple ownership and which supports the delivery of approved outcomes as agreed by Historic Environment Scotland. The awards of grant will serve to safeguard these properties for future generations whilst helping to improve the appearance of Lochgilphead town centre.
- 1.3 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.
- 1.4 Following the conclusion of the construction tender process, the total eligible project costs for both projects have increased. This is primarily due to inflation and the rising cost of building materials and labour. This has resulted in a total shortfall in costs of £137,271.46.
- 1.5 There is capacity within the Private Sector Housing Grant (PSHG) budget for 2023/24, and providing the gap funding to facilitate these projects aligns with the key aims of the PSHG to extend the life of capital assets.

- 1.6 A separate report has been submitted for consideration at the Policy and Resources committee meeting on 7<sup>th</sup> December 2023, requesting an additional £137,271.46 PSHG for the 2-4 Argyll Street and 6-10 Argyll Street projects.

## **RECOMMENDATION**

It is recommended that the Mid Argyll, Kintyre and the Islands Area Committee approve the following grant offers from the Lochgilphead Conservation Area Regeneration Scheme (CARS):

- Up to two hundred and twenty one thousand, nine hundred and thirty three pounds and twelve pence (£221,933.12) to the owners of 2-4 Argyll Street, Lochgilphead.
- Up to one hundred and seventy five thousand, seven hundred and fifty pounds and eighty pence (£175,750.80) to the owners of 6-10 Argyll, Lochgilphead.

**LOCHGILPHEAD CARS – RECOMMENDATION OF GRANT AWARD**

---

**2.0 INTRODUCTION**

2.1 The purpose of this report is to ask Members to agree grant awards for the remaining two priority buildings that form part of the Lochgilphead Conservation Area Regeneration Scheme (CARS). See below:

- Up to two hundred and twenty one thousand, nine hundred and thirty three pounds and twelve pence (£221,933.12) to the owners of 2-4 Argyll Street, Lochgilphead.
- Up to one hundred and seventy five thousand, seven hundred and fifty pounds and eighty pence (£175,750.80) to the owners of 6-10 Argyll, Lochgilphead.

2.2 Both properties are named priorities for Lochgilphead CARS, as such grant levels and grant recipients are based on project budget allocations and agreed with Historic Environment Scotland (HES). The proposed grants are based on the lowest tender returns following competitive tender exercises.

2.3 The grant applications 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 approve the following grant offers from the Lochgilphead Conservation Area Regeneration Scheme (CARS):

- Up to two hundred and twenty one thousand, nine hundred and thirty three pounds and twelve pence (£221,933.12) to the owners of 2-4 Argyll Street, Lochgilphead.

- Up to one hundred and seventy five thousand, seven hundred and fifty pounds and eighty pence (£175,750.80) to the owners of 6-10 Argyll, Lochgilphead.

## **4.0 DETAIL**

- 4.1 The Lochgilphead Conservation Area Regeneration (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 £1,401,318. This figure includes additional monies approved via the Place Based Investment fund for 2022/23 and 2023/24.
- 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 and encourages further investment.
- 4.4 This report seeks to outline grant awards to support the comprehensive repair and conservation for the remaining two priority buildings that form part of Lochgilphead Conservation Area Regeneration Scheme (CARS).
- 4.5 2-4 Argyll Street is a three-storey tenement building occupying a key location in the heart of Lochgilphead Conservation Area. The building is Category B listed and plays an important contribution to the enclosure of Colchester Square. The ground floor is in commercial use operating as a pharmacy and there are four flats contained within the upper floors.
- 4.6 6-10 Argyll Street is a three-storey tenement building that provides an important contribution in terms of townscape with its close association to the adjoining tenement at 2-4 Argyll Street. The ground floor contains two commercial units and there are four flats within the upper floors. Whilst both projects are being developed individually, there is some cross-over between them including timescales.
- 4.7 Both properties are named priorities for Lochgilphead CARS, as such grant levels and grant recipients are based on project budget allocations and agreed with Historic Environment Scotland (HES).
- 4.8 The scope of works for both projects comprises Lochgilphead CARS grant eligible works for fabric repairs to the exterior of both buildings incorporating; replacing slate roof's, all leadwork to be replaced, new lime harling to front and gable walls and chimney stacks, new chimney cope stones and replace/refurbished rainwater goods. All works are in line with HES's advisory standards of repair.

4.9 In respect of both buildings, individual owners have followed the Council's recommended route for common repairs to tenemental properties; see below:

- Formation of an Owner's Association for each property.
- Tenement Condition Survey carried out by a building professional.
- Detailed Tenement Condition Report produced together with a Cost Plan containing projected costs for the main elements of work.
- Continuous liaison and regular meetings with Lochgilphead CARS Project Officer.
- Appointment of a Conservation Accredited Design Team.
- Full design and development of the project through to construction tender stage.
- Submission of planning applications.

To date, the building owners have fully funded all of the development costs.

4.10 Both grant applications have been fully assessed against Lochgilphead CARS project criteria. They fulfill all items on the application checklist and scoring matrix.

4.11 Projected costs for both projects have been updated regularly throughout the development phase. Initially, the total project cost for each building could have been fully funded via; Lochgilphead CARS grants, Private Sector Housing Grants (PSHG) and private owners contributions. Due to inflation and the increased cost of building materials and labour, both projects are now over budget.

The total project costs including all design fees and construction costs are based on the Tender Reports dated (17 November 2023) from the Design Team. See below:

2-4 Argyll Street: Total project costs	£388,071.66
• Total CARS grant available from HES and A&B Council	£221,933.12
• The current eligible PSHG	£ 39,600.00
• Total owners contributions	£ 50,500.00
• <b>Shortfall</b>	<b>£ 76,038.54</b>
6-10 Argyll Street: Total project costs	£336,503.72
• Total CARS grant available from HES and A&B Council	£175,750.80
• The current eligible PSHG	£ 49,520.00
• Total owners contributions	£ 50,000.00
• <b>Shortfall</b>	<b>£ 61,232.92</b>
<b>Total Shortfall</b>	<b>£137,271.46</b>

- 4.12 The total shortfall in costs for both projects is £137,271.46. There is capacity within the Private Sector Housing Grant (PSHG) budget for 2023/24, and providing the gap funding to facilitate these projects 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 7<sup>th</sup> December 2023, requesting an additional £76,038.54 for the 2-4 Argyll Street project and £61,232.92 for the 6-10 Argyll Street project.
- 4.13 CARS third party grant contracts include a claw back condition covering the HES portion of the grant. If a grantee sells their property within fifteen years of the project completion date they are required to repay a portion of the grant based on a sliding scale.
- 4.14 The projected site start for both projects is March 2024.

## **5.0 CONCLUSION**

- 5.1 The grant awards will support the comprehensive repair of two prominent town centre properties, helping to safeguard homes and businesses whilst providing a boost to the local economy. It will also ensure that all of the Lochgilphead CARS priority buildings have been delivered – helping to meet the agreed outputs of the project.

## **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 is £2,063,511.

The total grant funding to be committed is £1,401,318.

To date £573,577 has been committed.

- 6.3 Legal – Third party grant contracts are issued to all recipients of CARS grant funding.

- 6.4 HR – A project office is employed to deliver the scheme for its duration. 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 – The grant funding will support local economies through place based regeneration activity.
- 6.5.3 Islands – None.
- 6.6 Climate Change – The grants will help retain the use of an existing building using traditional methods and materials and located in the town centre helping to retain the embedded carbon. The importance of this subject is also communicated to contractors to ensure that where possible climate adaption and mitigation is considered to help create a thriving, sustainable local economy and a healthier, happier place fostering carbon lifestyles.
- 6.7 Risk - That the grant schemes are under subscribed or that projects run over time or budget. These risks will be carefully monitored and mitigated by the CARS project officer as the scheme progresses.
- 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 duties.

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

**Fergus Murray, Head of Development and Economic Growth**

**Councillor Liz McCabe, Policy Lead for Islands and Business Development**

09 November 2023

**For further information contact:**

James Lafferty, Lochgilphead CARS Project Officer, Transformation Projects and Regeneration Team, Development and Economic Growth  
[james.lafferty@argyll-bute.gov.uk](mailto:james.lafferty@argyll-bute.gov.uk)

**APPENDICES**

Appendix 1: Photographs

## Appendix 1

2-4 Argyll St, Lochgilphead



6-10 Argyll St, Lochgilphead

