

**ASSESSMENT OF INITIAL BUSINESS CASES – TOWN
CENTRE/WATERFRONT PROJECTS**

1 INTRODUCTION

- 1.1 The draft Corporate Plan identifies town centre and waterfront regeneration projects as a priority. There are currently 5 proposed town centre and waterfront regeneration projects. The Council has scarce resources and needs to establish a priority order for these projects. The recommended prioritisation has been established using the weighting and scoring criteria for capital projects approved by the Council in February 2007.

2 RECOMMENDATION

- 2.1 The Council approve the recommended priority order for town centre and waterfront regeneration projects as follows:
First - Dunoon
Second - Helensburgh
Third - Campbeltown
Fourth - Oban
Fifth - Rothesay
- 2.2 Proper governance arrangements should be established as outlined in paragraph 3.8

3 DETAIL

- 3.1 The Council has identified town centre and waterfront regeneration as a priority. Town centre and waterfront projects were previously identified in the 2006-2008 Corporate Plan and are identified as a priority in the draft of the Corporate Plan being submitted to the Council on 26 September for approval. These projects have featured throughout the development phase of the revised Corporate Plan. The Council has previously allocated revenue budget to support the commissioning of studies for such projects and also to fund initial development/planning stages. Limited provision has also been made within the Capital Plan for town centre and waterfront regeneration.
- 3.2 Progressing town centre and waterfront projects is likely to place a significant demand on resources both in terms of officer time and budget. The Council has limited resources and it is inevitable that there will be a scarcity of resources to allow all of the projects to progress simultaneously. It is therefore essential that the Council establish a priority order for the town centre and waterfront regeneration projects.
- 3.3 Establishing a priority order is not a rejection of any project but a guide

to the projects that should be given priority when it comes to allocating scarce resources. Each project has a different package of measures that will have different demands in terms of officer support and budgetary requirement. Although a project may not be the number one priority there may still be certain aspects of that project that can be progressed providing higher priority projects are not utilising all of the resources available for town centre and waterfront projects. As an example project A may have a demand for significant capital expenditure on council assets which requires a high level of input from Property Services and which uses all of the available Capital Plan allowance whereas project B requires officer support from Development Services and Estates to market and dispose of certain packages of land or buildings.

- 3.4 The Council agreed on 13 February 2007 an approach to weighting and scoring capital projects and this has been used to assess the initial business cases for town centre and waterfront regeneration projects. A copy of the agreed weighting and scoring criteria is attached.
- 3.5 An initial business case following the guidance for capital projects has been prepared for each of the 5 town centre and waterfront regeneration projects. The IBCs were submitted to the September meetings of the area committees. The agreed weighting and scoring criteria have been applied to the IBCs along with any comments from the area committees.
- 3.6 The outcome of the assessment process is the following priority order:
First - Dunoon
Second - Helensburgh
Third - Campbeltown
Fourth - Oban
Fifth – Rothesay
- 3.7 The assessment was carried out by the Capital Planning Group comprising Sandy Mactaggart (Head of Facility Services), Malcolm MacFadyen (Head of Community Regeneration), Brian Barker (Policy and Strategy Manager) and Bruce West (Head of Strategic Finance).
- 3.8 Given the scale of the proposed projects then any project that members agree to take forward to OBC stage should be overseen by strong governance arrangements. At this stage this would include the establishment of a project board and preparation of a project plan identifying tasks, resources, timescales and risks for development of an OBC. An identified project manager would prepare the project plan and report progress to the project board. Given the link to the Capital Plan the project board would report into the Asset Management Board.
- 3.9 A number of matters that came to light during the assessment process are worth drawing to members attention and these are summarised below. In considering these points members should bear in mind that

an IBC is prepared at an early stage in a project largely to determine whether there is merit in expending further time and resources in developing an outline business case. As a result the information about the project is going to be at a preliminary or early stage of development with greater likelihood of change (risk) than information assembled and contained in either an outline or full business case. The comments in some cases are simply a reflection of the above rather than an indication that a project has an unacceptable level of risk, it is a poor project or that the IBC has been poorly prepared.

3.10 **General Comments**

With the exception of Helensburgh only limited consideration had been given to risks related to project delivery and how these could be mitigated or managed. Management arrangements generally did not appear to be well developed. Whilst various activities were identified in terms of developing an OBC a clear path was not clearly specified. Management arrangements varied from an established partnership, to a nominated lead officer, to various working groups, to no clear management structure. All of the financial information at this stage can only be regarded as preliminary, even where there are consultant estimates to support these figures. Some of the projects are based around very large sums of external funding being secured and again the security associated with these sums can only best be described as preliminary at this stage.

3.11 **Dunoon**

The central element of this project focussing upon the Queens Hall and Pier deals with 2 significant Council assets. The Council financial input appears largely to relate to the Queens Hall with significant external funding being projected for the pier/marina development. Limited identification of stages in development of an OBC was given. Whilst a lead officer was not identified there are already a number of working groups in place. The major risk around the development of this project is the lack of clarity over the Dunoon/Gourock ferry service and its impact on the pier area.

3.12 **Helensburgh**

A fairly full description of the actions related to this project, how it would be delivered and managed and the steps that would be taken in developing an OBC were given. A significant element of private sector investment is envisaged with this project as well as public sector investment in offices, swimming pool and traffic management. The most significant issue with regard to this project was considered to be the outstanding legal issues surrounding the pier head area and the impact this might have on the overall project.

3.13 **Rothsay**

Financial input to this project related to a single Council building with the prospect of external funding. The other aspects of this project were clearly outlined. Unfortunately no lead officer is in place and no

indication was given about how the project was being/would be managed.

3.14 **Campbeltown**

Whilst the project requires relatively modest financial commitments there is little external funding levered in. It was not clear what action would be taken and how the money would be spent in order to achieve the outcomes listed under project description. Only very general risks were outlined. Although a project manager was identified the risks, risk management and steps to developing an OBC were quite limited.

3.15 **Oban**

This appeared a very ambitious project with very high levels of external funding. There was no indication about how any of the 5 key areas would be prioritised and taken forward. Given the scale of the project it was felt more consideration should have been given to how an OBC would be developed. No project manager is in place and no indication of how the project is being managed was given. Only very general risks were outlined.

4 CONCLUSION

- 4.1 The 5 proposed town centre and waterfront projects have had IBCs submitted to area committees. The IBCs and area committee comments have been assessed using the approved weighting and scoring criteria. An order of priority for the 5 projects is recommended.

IMPLICATIONS

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| Policy | Recommends order of priority for town centre and waterfront regeneration projects. |
| Personnel | Prioritisation will guide allocation of staff resources to town centre and waterfront regeneration projects. |
| Financial | Prioritisation will guide allocation of financial resources to town centre and waterfront regeneration projects. |
| Legal | None |
| Equal Opportunities | None |

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