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**TRANSFORMATIONAL PROJECTS AND REGENERATION TEAM – LARGE  
SCALE PROJECT UPDATE REPORT**

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**1. EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to update the Environment, Development and Infrastructure Committee on current progress of the large-scale, externally funded project work of the Transformational Projects and Regeneration Team, and to highlight key issues that may impact on the successful delivery of projects.
- 1.2 The last update report was considered by Environment, Development and Infrastructure Committee in September 2025.
- 1.3 The team is currently responsible for the delivery and or management of projects and associated grants with a cumulative value of over £100m. It should be noted that following completion of each project, the team continues to have the responsibility for the monitoring and final drawdown and reporting up until the end of the 12-month defects period or beyond depending on conditions on the respective grant contracts.
- 1.4 From April 2024, The Transformation Projects and Regeneration Team also includes responsibility for delivery of the Council's Rural Growth Deal (RGD) Programme. This follows the merging of this team with the RGD Programme Management Office (PMO) following the retirement of the previous Transformation Projects and Regeneration Manager.
- 1.5 The team are also leading on delivery of the Community Regeneration Partnership Funding (CRP) from the UK Government. This funding replaces the Levelling Up Partnership programme and totals £20.34m for Argyll and Bute with all funding requiring to be fully committed by 31<sup>st</sup> March 2027. This funding was officially confirmed by the UK Government on the 9<sup>th</sup> December 2025.
- 1.6 Members are asked to note that the grant funding landscape and delivery of capital projects remains extremely challenging due to cost of living issues, budget and resource constraints however, the Transformation Projects and Regeneration Team will continue to respond to emerging Government policy priorities and future external grant, funding opportunities.

## **RECOMMENDATIONS**

It is recommended that the Environment, Development and Infrastructure Committee:-

- i. Consider the current progress contained within the report.
- ii. Note that further updates relating to pending funding bids will be brought back to the Environment, Development and Infrastructure Committee in due course to update Members.

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**2.0 INTRODUCTION**

- 2.1 This report sets out the current position of the large-scale projects, which are currently being delivered or have secured external grant funding that are managed by the Transformational Projects and Regeneration Team.
- 2.2 The Transformational Projects and Regeneration Team sits within the Council's Development and Economic Growth Service and works region-wide. The team has a particular focus on 'place', heritage regeneration, the creative industries, renewables and Islands and manages a diverse range of capital projects and external grants. The team works closely with colleagues across the Council, communities, businesses, public agencies, third sector organisations, town centre heritage building owners and the owners of vacant business property to realise positive change for our communities.
- 2.3 From April 2024, The Transformation Projects and Regeneration Team also includes responsibility for delivery of the Council's Rural Growth Deal (RGD) Programme and are leading on the delivery of Community Regeneration Partnership (CRP) Funding from the UK Government.
- 2.4 CRP funding replaces the Levelling Up Partnership programme and totals £20.34m for projects in Argyll and Bute with funding to be fully committed by 31 March 2027.
- 2.5 This paper also seeks to report on key issues that may impact on the current status of each project, such as any amendments to project scope or timeframe.

**3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Environment, Development and Infrastructure Committee:-
- i. Consider the current progress contained within the report.
  - ii. Note that further updates relating to pending funding bids will be brought back to the Environment, Development and Infrastructure Committee in due course to update Members.

## **4.0 DETAILS**

- 4.1 The following sections summarise the progress associated with each of the large-scale projects that are currently in delivery or have grants managed by the Transformational Projects and Regeneration Team. In addition, the report provides information on annual funding streams received by the Council and managed by the team as well as annual competitive external funding grants secured and being managed.

### **HERITAGE LED REGENERATION PROJECTS**

#### **4.2 Rothesay Regeneration**

Following a decade of Townscape Heritage Initiatives, and £7.5m investment in the town centre, regeneration effort continues to tackle dereliction in Rothesay. The Transformation Projects and Regeneration Team are actively supporting efforts to address key landmark buildings including:-

- £9m of RGD funding allocated to the final regeneration stages of Rothesay Pavilion.
- £250k of funding allocated via PBI and CE for resurfacing and lining works on Albert Pier with a focus on enhanced parking for coaches.
- Up to £4.4m of funding via the UK Government's Community Regeneration Partnership programme (£4m) and a further £400k of funding via the SG's Islands Programme. This funding will support the regeneration of the Royal Hotel in Rothesay. This is a partnership project being delivered collaboratively with George Hanson, Highlands and Islands Enterprise, UK Government and Scottish Government. The owner of the building has also committed to private sector funding of at least £1m to support the regeneration of this grade B listed structure which occupies a prominent location within Rothesay Town Centre. Once complete, the refurbished building will include new commercial space on the ground floor and 12 lift accessible residential flats on the upper floors. Grant funding will support completion of phase 1 of these works which will structurally restore the building and focus on the ground floor commercial units.

#### **4.3 Helensburgh CARS (2021 – March 2026)**

Helensburgh CARS is a £2.4m project in final year of delivery. The partnership project is funded by Argyll and Bute Council (£500k) and HES (£1.24m) with owner's personal contributions completing the funding. A fully funded project officer is employed to deliver the project for its duration, and the project also supports a modern apprentice.

Works to the first two priority buildings commenced on site in September 2024 and are nearing practical completion. Works to the third and fourth priority buildings are currently onsite and one small repair grant has also been awarded to refurbish the windows in the Grade A listed Macintosh Club and another for roof and amenity deck repairs to make several commercial properties within 22-34 Sinclair Street watertight.

The team are also working with building owners to progress local shopfront improvements and are developing a series of events with the Helensburgh Outdoor

Museum.

#### **4.4 Lochgilphead CARS (2020 – Mar 2026)**

Lochgilphead CARS is a £2.2m partnership project with HES (£969,700) in its sixth year of delivery. All funding is now committed and the project is due to conclude on 31 March 2026.

As part of this project six priority buildings have been regenerated in addition to a number of small repair grant/shopfront improvement projects.

Local stakeholders have benefitted from a number of traditional skills training courses and educational activities that have been funded and delivered via the scheme. This includes; specialist training in Lochgilphead for local contractors and building professionals; traditional skills Demo Days for local school pupils and a Shop Window Art Project delivered in partnership with a local artist and Lochgilphead High School. A highly successful celebration event was also held in Lochgilphead on Saturday 27<sup>th</sup> September to mark the completion of the project. This event was open to members of the public and included talks from the key funders, Council officers and local elected members.

#### **4.5 Tarbert Heritage Regeneration Scheme**

On 26 June 2025, Council agreed that applications be submitted to National Lottery Grants for Heritage (NLHF), and Historic Environment Scotland's (HES), Heritage and Place Programme (HPP), for a 5-year Tarbert Heritage Regeneration Scheme. Funding bids were submitted on 6<sup>th</sup> and 29<sup>th</sup> August 2025 respectively, and NHLF subsequently confirmed £850k of funding on the 29<sup>th</sup> January 2026. At the time of writing this report the Council are still awaiting formal confirmation of funding from HES.

The Council previously gave a commitment to provide match funding of £650k for this project over the 5-year delivery period. This funding has been earmarked from the Council's Crown Estates annual allocations.

### **WIDER REGENERATION FOCUSED PROJECTS**

#### **4.6 Tarbert / Lochgilphead Regeneration Fund**

The only remaining allocation of funding from the Tarbert / Lochgilphead Regeneration Fund relates to a second phase of development on the former Gleaner Oil site in Ardrishaig. This funding totals £250,000 and the Council are in negotiations with Scottish Canals about a business case to support a proposed distillery development on this site. Organic Architects, specialists in designing sustainable distilleries, have submitted a planning application to turn this unused site into a working distillery with a courtyard, tasting rooms, viewing terrace, and a greenhouse building facing Loch Gilp.

#### 4.7 Regeneration Capital Grant Funding (RCGF)

Following a highly competitive stage 1 expression of interest round, Stage 2 funding bids for the projects set out in Table 2 were submitted to the Scottish Government in November 2025:-

**Table 2: RCGF 2026/27 Stage 1 Funding Bids**

<b>Project</b>	<b>Value</b>	<b>Lead Organisation</b>
Kintyre Sea Sports	£800,000	Kintyre Sea Sports
Nonhebel Park (Final Phase)	£595,000	MICT
Tarbert Harbour Community Water Sports and Activity Hub	£850,000	Tarbert Harbour Authority
Tighnabruaich Community Refuelling and Business Hub	£120,000	The Tighnabruaich District Development Trust

The Council have been advised that the outcome of the RCGF Stage 2 funding bids is not likely to be confirmed by the Scottish Government until March 2026. All external stakeholders have been advised accordingly.

The Council continue to support the Isle of Luing Community Trust with their slate quarry project which was awarded £1,747,936 of RCGF funding from the 2025/26 programme. Procurement activity for the first phase of this project is in the process of being finalised with contracts expected to be awarded before the end of the financial year. Cost returns are slightly higher than the current project budget and as such, value engineering and/or additional funding will be required.

#### 4.8 Scottish Government Place Based Investment Funded projects 2021 – 2024

When Place Based Investment (PBI) funding was introduced by the Scottish Government, allocations were provided over a five-year period and to date have been received as follows.

- 2021/22 - £821,000
- 2022/23 - £712,000
- 2023/24 - £496,000
- 2024/25 - £0.00
- 2025/26 - £388,368

The Council were previously informed that 2025/26 PBI funding would be provided in 2 tranches with £388,368 of funding in tranche 1 and a further £107,632 later in the financial year subject to the Scottish Governments budget position. At the time of writing this report, the Scottish Government have not confirmed the 2<sup>nd</sup> tranche of

funding and it is now assumed that this funding will not be received.

Table 3 below, sets out projects to be delivered using PBI funding in 2025/26. These projects were endorsed by the Council's P&R Committee in August 2025. It is now assumed that projects allocated funding via tranche 2 of PBI will not be progressed this financial year.

**Table 3: 2025/26 PBI Projects**

<b>Project</b>	<b>Tranche 1</b>	<b>Tranche 2</b>
Albert Pier	£100,000	
Victoria Hall, Campbeltown	£100,000	
Shopfront and Business Support		£56,000
CCTV Upgrades	£100,000	
Helensburgh Outdoor Museum	£80,000	
Rockfield Centre, Oban		£60,000
<b>TOTAL</b>	<b>£380,000</b>	<b>£116,000</b>

#### 4.9 Scottish Crown Estate Revenue Allocation Funding

The Scottish Government wrote to Local Authorities on 25th November 2025 confirming that Argyll and Bute Council's net Crown Estate revenue allocation for the 2025/26 financial year is £2,358,044.07. This is from a total funding allocation of £15.98m distributed to 26 local authority regions.

Table 4 below sets out the funding allocations that have been approved by the Council's P&R Committee for financial year 2025/26.

**Table 4: 2025/26 Crown Estates Funding Allocations**

<b>Project</b>	<b>Budget</b>
Town Centre support for shopfronts and empty business properties	£260k
Helensburgh Skating Pond	£100k
Dunoon Public Realm	£80k
Albert Pier Car Park Resurfacing	£150k
SAMS STEM Hub	£80k
Public CCTV in towns – More information required on what is required.	£90k
Campbeltown War Memorial	£40k
Helensburgh CARS match funding commitment	£135k
Strategic Events and Festivals Round 8 Supplementary Funding	£14.5k

Inveraray Avenue Screen refurbishment	£120k
Gallanach Road - Rock Slope Protection	£300k
Tarbert Heritage and Place Programme - Match Funding	£115k for the next 4 years*
CARS Projects - flexible fund to support businesses with capital improvements to shopfronts/buildings building on previous CARS investment	£150k
Victoria Hall, Campbeltown –repair and refurbish entire front elevation	£50k
Dunoon Public Realm	£65k
Capital Plan	£500k
Staff Costs	£107k
Contingency	£2k
<b>Total Funding Commitment</b>	<b>£2.35m</b>

#### 4.10 Scottish Government Islands Programme and Carbon Neutral Islands Capital Fund 2025/26

The Scottish Government previously announced that Islands Programme (IP) funding of £5.3m will be available for the 2025/26 financial year to fund capital projects on inhabited Scottish islands. A further £1.4m is available to support the Carbon Neutral Islands (CNI) in their progression towards net zero. Both of these funds are subject to a competitive bidding process to the Scottish Government.

Following approval of funding bids by EDI Committee in June 2025, the following projects have been awarded funding from the Islands Programme for 2025/26:-

**Table 5: 2025/26 Islands Programme Funding**

<b>Project Name - description</b>	<b>Project Lead</b>	<b>IP funding Award</b>
Former Royal Hotel, Rothesay – Detailed design works	Transformation Projects and Regeneration	£400,000
Community Digital Hubs Phase 2	Strategic Transportation	£125,000
Unlocking Ulva – Landing Craft Project – funding for design and business plan	North West Mull Community Woodland Company	£40,000
Skerryvore Lighthouse Shore Station - The Lighthouse Cottages	Hynish Trust	£306,050
Multi Use Games Area, Isle of Gigha	Isle of Gigha Heritage Trust	£20,000
Bowmore Hall, Islay	Islay Development Initiative	£100,000

Isle of Luing Slate Quarry and Shore Works	Luing Community Trust	£20,000
Tobermory Worker Accommodation	Argyll and Bute Council	£100,000

In addition to the Island's Programme, a £1.4m Carbon Neutral Island Capital Fund was announced for 2025/26 and projects were also previously considered by EDI Committee. Table 6 below sets out details of the funding awarded in 2025/26:-

**Table 6: 2025/26 CNI Funding Awards**

Project Name - description	Project Lead	CNI funding request
Additional Measures - Community Buildings Phase 2	Islay Energy Trust	£401,843

#### 4.11 Islands Cost Crisis Emergency Fund 2025

On 6 May 2025, the Scottish Government announced that Islands Cost Crisis Emergency funding (ICCEF) of £1 million would be available for the 2025/26 financial year. The funding will be distributed to the six Local Authorities with responsibility for islands through the 2025/26 Local Government Revenue Grant. The fund will be administered by Scottish Futures Trust (SFT) on behalf of the Scottish Government.

The funding for Argyll and Bute Council is £145,000 for financial year 2025/26. The Council's P&R Committee endorsed the project options for this funding in August 2025 and table 7 below, sets out the proposed funding allocations;

**Table 7: ICCEF 2025/26 Allocation**

<b>ICCEF 2025/26 Distribution</b>	
Targeting Fuel Poverty with ALI energy's Affordable Warmth Service	£120,000
Food Bank Grants	£25,000
<b>TOTAL ICCEF 25/26</b>	<b>£145,000</b>

The approved funding allocation will increase vital funding support to 5 island food banks. The Council are also intending to trial a scheme working in partnership with ALI energy to extend their Affordable Warmth service. This supports residents most at risk of fuel poverty and will be available to eligible residents on all our island communities. Fuel poverty rates are generally higher on Scottish islands, and this is exacerbated in households with low incomes.

## 5.0 RURAL GROWTH DEAL (RGD)

- 5.1 The Rural Growth Deal Full Deal Agreement was signed on 10th March 2025 by the First Minister, Secretary for State for Scotland and the Council Leader. The RGD will deliver £50m of investment from the Scottish and UK Governments for projects that are a driver for inclusive and transformational economic growth across the region. The Council and key delivery partners will also provide a minimum of £20m of match funding throughout the 10-year Deal programme.
- 5.2 Rothesay Pavilion is the only RGD project currently in delivery and this project has been allocated £6M of funding in 2025/26. This includes the original £4M agreed for 2024/25 and £2M of additional funding secured due to underspend on other RGD projects this financial year. The total RGD allocation for this project is £9m. Table 8 below, provides a breakdown of funding allocated, claimed and how much remains to be claimed in 2025/26:

**Table 8: Rothesay Pavilion RGD Funding Drawdown 2025/26**

Funding Allocation:	£ 6,000,000
Total Claimed YTD	£ 4,963,705
Value Remaining:	£1,036,294
Percentage of RGD funding claimed:	83%

- 5.3 It is expected that 100% of allocated funds will be drawn down this financial year. Full drawdown of the £9M will not be possible until the Full Business Case (FBC) is fully endorsed by Central Government. The RGD financial profiling includes £800k of project funding profiled in FY29/30 for Rothesay Pavilion and it has been agreed that this will be held until such time as the FBC is fully endorsed. Therefore, until such time as the FBC is fully endorsed, the maximum available RGD funding which can be drawn down for the project is £8.2m.
- 5.4 It should be noted that no Rural Growth Deal funding can be drawn down in advance of endorsement of full business cases by Central Government. This process can take up to 9 months to complete and requires RGD partners to spend project development funding at risk.

## 6.0 COMMUNITY REGENERATION PARTNERSHIP (CRP)

- 6.1 In the 2024 Autumn Statement the UK Government committed to delivering a package of support to Argyll and Bute Council in order to improve outcomes across the region in line with the Government's core missions and priorities. Community Regeneration Partnership Funding will build upon previous work and engagement undertaken by the Ministry of Housing, Communities and Local Government (MHCLG) under the banner of Levelling Up.
- 6.2 As part of the core funding package, there is up to £20m capital funding and £340k revenue available for the CRP. Capital funding is profiled for payment in financial year 2026-27 to support the programme of projects agreed with the UK

Government and detailed in Table 9. Revenue funding totalling £340k has already been received from UKG and will predominantly support the resourcing and development of the wider CRP programme.

**Table 9: CRP Funding Allocations**

<b>Project</b>	<b>Funding Allocation</b>	<b>Capital / Revenue</b>	<b>Financial Year of Payment</b>
Islay Housing Fund	2,000,000	Capital	2026/27
Housing Acquisition & Resale	1,900,000	Capital	2026/27
Modular Home provider scoping (Oban)	100,000	Capital	2026/27
Tobermory Worker Accommodation	1,000,000	Capital	2026/27
European Marine Science Site (Phase 2)	1,600,000	Capital	2026/27
Oban Airport Aviation Business Park	7,400,000	Capital	2026/27
Teaching space at the Scottish Association for Marine Science (SAMS)	600,000	Capital	2026/27
Bowmore Hall	320,000	Capital	2026/27
Dunoon Public Realm	1,080,000	Capital	2026/27
Former Royal Hotel Rothesay	4,000,000	Capital	2026/27
Mull & Iona Community Trust Helicopter Operations	20,000	Revenue	2025/26
Programme Officer Support	230,000	Revenue	2025/26
Programme Capacity Payments	90,000	Revenue	2025/26

6.3 Following payment of £320k of revenue funding to support the resourcing of programme management activities the Council have appointed a Project Manager and Administration and Finance Assistant to support delivery of the CRP programme. Both of these posts sit within the Transformational Projects and Regeneration Team.

## **7.0 EMPTY BUSINESS PROPERTY GRANTS**

7.1 Empty Property Relief was devolved to Scottish Local Authorities on 1 April 2023. At their meeting of 23 November 2023, Council subsequently agreed that from 1 April 2024, 50% Non-Domestic Rates (NDR) relief could be granted to business properties which are empty for a maximum of three months. In cases where business properties remain empty beyond three months, 10% relief can be awarded for up to an additional nine-month period. Following this, should a business property remain empty beyond a twelve-month period, no further NDR relief would be awarded, and 100% Non-Domestic Rates would begin to be charged.

7.2 On 23 November 2023, Council also agreed that the remaining Empty Property Relief funding from Scottish Government be used towards an Empty Property Business Grant Scheme, the aim of which would be to assist owners to return properties to productive use. An Empty Business Property Officer has since been appointed to support the distribution of funds, which amount to in the region of £300k for 2025/26.

7.3 On 8th May 2025, the council's Policy and Resources Committee approved Extended Empty Property Relief, whereby non-domestic rates relief will be extended for property owners who are actively working to bring their properties back into use. Owners may apply for 100% relief for up to 12 months at any time after the property becomes vacant, provided the conditions are met.

7.4 A further paper providing an update on the Empty Business Property grant scheme was presented to the EDI committee on 19th June 2025. The committee approved the Empty Business Property Grant Scheme with an anticipated budget of up to £785,000 for the financial year 2025/26.

7.5 Members are asked to note that the number of vacant business properties is now being recorded as part of the Council's Area Performance Reporting.

## **8.0 STRATEGIC EVENTS AND FESTIVALS (SEF)**

8.1 In recognition of the importance of the events sector to the economy of Argyll and Bute, the SEF Fund was agreed by Council and first taken forward as a competitive fund in 2019/20. The fund aims to support event organisers to enhance and grow their events with the result that more visitors are attracted to Argyll and Bute, providing substantial economic benefit.

8.2 At the 20th February 2025 budget meeting, the Council agreed funding of £90,000 for SEF Round 8, to be augmented by any underspend from previous rounds of funding. An additional £14,500 of funding has been identified from the 2025/2026

Crown Estates allocation and as there was no underspend in from previous rounds the total budget available for allocation in 2026/27 is £104,500.

- 8.3 SEF Round 8 opened on 6th October 2025 and closed on 17th November 2025. A total of 26 applications were received, however three did not meet the eligibility criteria of SEF, leaving a total eligible request of £154,338. The budget available for Round 8 is £104,500 and therefore the fund was oversubscribed by £49,838. All applications were subject to robust scoring by Council Officers and of the 23 eligible applications, 10 applications were recommended for funding.
- 8.4 SEF Round 8 funding will support a variety of events and festivals from across the area that deliver a wide range of event types, from sport to music and highland games. The combined forecast economic impact of the events recommended for funding is approximately £10.8 million, which represents a significant return on investment via the SEF.
- 8.5 The SEF Round 8 programme was approved by the Council's P&R Committee in February 2026 and further details are included in Table 10 below.

**Table 10 – SEF Round 8 Funding Awards**

<b>SEF Round 8 Recommended Grant Applications</b>		
<b>Event</b>	<b>Funding Request</b>	<b>Recommended Funding Award</b>
<b>£2,500 - £5,000 Fund</b>		
Helensburgh Christmas Lights Switch On and Festival of Light	5,000	5,000
Inveraray Highland Games	5,000	5,000
Live at the Loch	5,000	5,000
Oban Winter Festival	5,000	5,000
Sound of Gigha	2,500	2,500
<b>£5,001 - £15,000 Fund</b>		
Mull of Kintyre Music and Arts Festival	12,000	12,000
Mull Rally 2026	15,000	15,000
Tiree Wave Classic 2026	10,000	10,000
Argyllshire Gathering Highland Games and Piping Competition	15,000	15,000

<b>£15,001 and Over Fund</b>		
Cowal Highland Gathering	30,000	30,000
<b>Total SEF Round 8</b>	<b><u>104,500</u></b>	<b><u>104,500</u></b>

## **9.0 CONCLUSION**

- 9.1 This report provides an update to the Environment, Development and Infrastructure Committee on progress with large-scale, externally funded project work being delivered by the Transformational Projects and Regeneration Team. Currently this involves over £100m of external funding across Argyll and Bute with further bids in progress.
- 9.2 The projects and grants detailed within this report will result in assisting the economic recovery of Argyll and Bute, helping to sustain numerous small businesses, community organisations, making our places more investor ready and improving our towns and villages as places to live, work and visit.
- 9.3 From April 2024, The Transformation Projects and Regeneration Team also includes responsibility for delivery of the Council's RGD Programme and the team are also managing the emerging CRP programme. Combined, these programmes will deliver in excess of £70m of external funding to the region.
- 9.4 Members are asked to note that the grant funding landscape and delivery of capital projects remains extremely challenging due to budget and resource constraints however, the Transformation Projects and Regeneration Team will continue to respond to emerging Government policy decisions and future grant funding opportunities.

## **10.0 IMPLICATIONS**

- 10.1 Policy - The delivery of these projects fits with the Council's Corporate Plan, Argyll and Bute Local Outcome Improvement Plan and the Economic Development Action Plan. The economic outcomes from this project will contribute to the Government's Economic Strategy.
- 10.2 Financial - All funding has been approved for the projects detailed in the report. The funding comes from the Council and from external funding sources, some from highly competitive processes. We will continue to review costs and assess budgets.
- 10.3 Legal - Each project will have differing legal and procurement requirements depending on the grant funder and the associated grant contract conditions and we are working closely with colleagues to identify the support required and to allow this to be factored into future work plans.

- 10.4 HR - The resources required to deliver the projects will be continually monitored. The management of these externally funded projects as well as the management of the Council, PBI, CE, IP and RCGF grants requires a significant amount of resources from the team to ensure that all the necessary due diligence and financial management is undertaken and risk is minimised to the Council.
- 10.5 Customer Service – None.
- 10.6 Risk - Construction projects by their very nature are challenging given issues that can arise relating to site conditions, managing contractors/the design team and associated budgets and meeting funder's requirements. We continually seek to minimise the risk through strong project management processes, however until the projects are fully delivered on site there remains a risk. Other areas of risk relate to the potential for limited uptake in regard to CARS grants and also over-run on costs for third party projects. In regard to the latter this is a high risk particularly as the Council is not the responsible body for the projects or their delivery on the ground. The setting up of regular benefits realisation group meetings and building good working relationships with the third parties assists in identifying where issues may arise and where additional support may be required. Cost inflation continues to impact the construction industry and this is exacerbated by limited supply chain options in rural areas. Robust procurement and contract management processes will reduce the risk of cost escalation on projects.
- 10.7 Climate Change - It is an ambition of our project work to work towards net zero by adopting a carbon conscious approach throughout. Some grant funding directly supports the transition to net zero (e.g. CNI).
- 10.8 Fairer Scotland Duty: Socio Economic Duty – Grant funding can support projects which are a catalyst for economic growth and well-being, particularly on some of our most fragile communities.
- 10.9 Equalities – protected characteristics – Projects can be a driver for inclusion.
- 10.10 Customer Duty – Delivery of external grant funding will ensure the Council are supporting local communities and households across Argyll and Bute.
- 10.11 Island Communities – some of the funds directly support local island communities e.g. Islands Programme, CNI, ICCEF.
- 10.12 Childrens rights and wellbeing – Some funding will directly support projects that aim to provide positive outcomes for children and young people. This will include those at greatest risk of poverty and households with children.

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

**Leader of the Council: Councillor Jim Lynch**

**Policy Lead for Business Development: Councillor Math Campbell-Sturgess**

March 2026

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