

Apply to the levelling up fund round 2

Submission details

Submission reference	LUF20017
Created time	Wed, 10 Aug 2022 08:32
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What is the legal name of the lead applicant organisation?

Dumfries and Galloway Council

Where is your bid being delivered?

Scotland

Select your local authority

Dumfries and Galloway

Enter the name of your bid

Reactivating Galloway

Does your bid contain any projects previously submitted in round 1?

No

Bid manager contact details

Full name	Stuart McMillan
Position	Strategic Economic Investment Manager
Telephone number	07990530307
Email address	Stuart.McMillan@dumgal.gov.uk
Postal address	Dumfries and Galloway Council Council HQ, English Street Dumfries Dumfries & Galloway DG1 2DD

Senior Responsible Officer contact details

Full name	Steve Rogers
Position	Head of Economy and Development
Telephone number	07921038662
Email address	HeadofEconomyandDevelopment@dumgal.gov.uk

Chief Finance Officer contact details

Full name	Paul Garrett
Telephone number	07824857607
Email address	Paul.Garrett@dumgal.gov.uk

Local Authority Leader contact details

Full name	Dawn Roberts
Position	Chief Executive
Telephone number	030 33 33 3000
Email address	Chief.Executive@dumgal.gov.uk

Enter the name of any consultancy companies involved in the preparation of the bid

Hatch

Enter the total grant requested from the Levelling Up Fund

£17698660

Investment themes

Regeneration and town centre	0%
Cultural	100%
Transport	0%

Which bid allowance are you using?

Full constituency allowance

How many component projects are there in your bid?

3

Are you submitting a joint bid?

No

Are you submitting a large cultural bid?

No

Grant value declaration

I am submitting a bid as a single applicant and can confirm that the bid overall does not exceed £20 million grant value

Tick to confirm

Gateway criteria: costings, planning and defrayment

I confirm that some LUF grant funding will be defrayed in the 2022/23 financial year

Tick to confirm

Costings and Planning Workbook

Annex 2 - DGC Cost Workbook Final.xlsx

Provide bid name

Reactivating Galloway

Provide a short description of your bid

Dumfries and Galloway is renowned for its outstanding natural beauty framed by the coastline and forests, however, there is a limited leisure and recreation offer to capitalise on these natural capital assets to drive economic growth. The towns of Stranraer and Dalbeattie have lost their traditional role and function, contributing to a declining population, voids, and low productivity. The project will reactivate redundant buildings and spaces with new uses which capitalise on their proximity to green and blue assets to drive footfall and spend, stimulating the visitor economy and enhancing quality of life through an improved culture and leisure offer.

Provide a more detailed overview of your bid proposal

Our proposal will deliver a coherent package of interventions designed to reactivate and regenerate Stranraer and Dalbeattie through investment in recreation and leisure infrastructure to target the growing active tourism market and support an enhanced quality of life to attract and retain residents, businesses and investors.

Stranraer and Dalbeattie are facing shared economic challenges a lack of employment opportunities, declining business base, ageing and declining population, and poor health and well-being will be addressed through the project.

The bid will reactivate these towns with new uses, capitalising on proximity to the coastline and tourism assets such as the 7 Stanes Mountain Bike Trail, Galloway Forest Park, and Loch Ryan.

The objectives of the bid are to:

- Bring redundant buildings back into economic use
- Diversify the offer of key towns with leisure and recreation uses to encourage footfall, spend and enhanced health and wellbeing
- Stimulate the number of visitors through an enhanced active tourism offer
- Increase in employment opportunities
- Improve perceptions and develop pride in place

The proposal includes:

1. Stranraer Water Sports Hub, Stranraer

This project aims to regenerate Stranraer and its waterfront by increasing accessibility and usage of its coast. The scheme will deliver a Stranraer Water Sports Hub that delivers events, training, community activity and regatta facilities. The scheme will hold outreach facilities with schools and youth groups in the area. With over 520m² of floor space the development will host a reception area, changing rooms, shower, toilets, lockers, drying room, wet classroom, dry classroom, meeting room, social spaces and kitchen/server. The development will also deliver slipway facilities, active beach area, boat storage space, parking (including for motorhomes) and operating equipment for the centre.

2. The George, Stranraer

The George was once an opulent icon of Stranraer, which has since fallen into disrepair and become a symbol of decline for the town centre. Only the façade walls remain as the internal roof collapsed in 2018. This bid aims to create an anchor attraction through the regeneration of the category B listed vacant and derelict site. The proposal will deliver a multi-purpose hub offering culture, recreation and accommodation. This will include a climbing wall, 30-bed bunk house, art studios and exhibition space. This project will provide key space for makers and creatives and providing accommodation and wet day activities for tourists. The project will deliver programmes including skills training, workshops and events for the local, community including school outreach programmes.

3. Rocks and Wheels, Dalbeattie

Dalbeattie Primary school relocated in 2019, leaving the building redundant. This project aims to deliver a community-led activity centre to offer physical activity facilities to the local community and attract visitors to the town through an offer of a climbing wall, bouldering, pump track and affordable accommodation taking advantage of proximity to a wealth of outdoors visitor destinations with heavy visitor footfall but with lack of complimentary facilities.

Pictures or maps of the current sites and schematics of the proposed projects can be seen in figures 2-7 of Annex 21.

Provide a short description of the area where the investment will take place

Dumfries and Galloway is located in the western Southern Uplands and is comprised of the historic counties of Dumfriesshire, Kirkcudbrightshire and Wigtownshire (the latter two are collectively known as Galloway). The region has a population of 148,290. The county is known for its acres of forest and picturesque rocky coastline.

STRANRAER

Stranraer is a town of some 13,000 residents and Dumfries and Galloway's second largest town. Stranraer lies on the shore of Loch Ryan and is surrounded by attractive natural countryside. Historically, Stranraer was a seaside town with a bustling ferry port providing services to Northern Ireland until its closure in 2011 due to demand for bigger ships and a shorter route. The main industries in the town have historically been associated with the ferry port or agriculture. Stranraer has experienced several social, environmental and economic issues in the ten years since the closure of the ferry port, including a declining population, low footfall and increasing town centre voids. The legacy of the port has left a disused, industrial eyesore on Stranraer's waterfront.

The Stranraer Waterfront Development Framework set out a vision "to reposition Stranraer and Loch Ryan as a distinctive and successful marine leisure destination".

Stranraer is considered to have considerable unleveraged tourism potential. The funding secured through the Borderlands Growth Deal will deliver the £18m Stranraer Marina Extension aimed at driving tourism, creating employment, and providing a catalyst to the wider regeneration of Stranraer and its waterfront.

Stranraer Water Sports Association (SWSA) achieved considerable success hosting the World Skiff Championships in 2019. This provided a demonstration of Loch Ryan's potential to host marine events on the international stage, and raised the profile of Stranraer as a destination, bringing increased visitors and spend in the town and surrounding areas. The development of a new Stranraer Water Sports Hub and repurposing of The George will maximise the impact of the Marina Extension by providing supporting infrastructure and complementary offer to extend tourism dwell time and spend with Stranraer, whilst meeting identified community needs.

DALBEATTIE

Dalbeattie is a town in the historical county of Kirkcudbrightshire sitting within a wooded valley 12 miles south west of Dumfries. Dalbeattie grew on the back of the rapid expansion of granite quarrying which declined in the late 19th century. Factory closures in the late 1990s curtailed the provision of local employment. Today, the town is home to some 4,200 residents and there is a net flow of commuting to work outside the town. There is a burgeoning visitor economy which capitalises on proximity to the 7 Stanes Trail which attracts tens of thousands of outdoor tourists each year to go hiking, mountain biking, horse riding or camping. There is a considerable opportunity for Dalbeattie to capture more of this growing active tourism market through a complementary offer and supporting infrastructure including affordable hostel style accommodation and bouldering.

Optional Map Upload

Annex 7 - Maps and Drawings including GIS files.pdf

Does your bid include any transport projects?

No

Provide location information

Location 1

Enter location postcode

DG9 7RH

Enter location grid reference

54.904450 , -5.0279684

Percentage of bid invested at the location

40%

Optional GIS file upload for the location

Stranraer GIS context map.jpg

Location 2

Enter location postcode	DG9 7RE
Enter location grid reference	54.907406 , -5.0303409
Percentage of bid invested at the location	30%
Optional GIS file upload for the location	Stranraer GIS context map.jpg

Location 3

Enter location postcode	DG5 4HR
Enter location grid reference	54.933787 , -3.8152787
Percentage of bid invested at the location	30%
Optional GIS file upload for the location	Dalbeattie GIS context map.jpg

Select the constituencies covered in the bid

Constituency 1

Constituency name	Dumfries and Galloway
Estimate the percentage of the bid invested in this constituency	100%

Select the local authorities covered in the bid

Local Authority 1

Local authority name	Dumfries and Galloway
Estimate the percentage of the bid invested in this local authority	100%

Sub-categories that are relevant to your investment

Select one or more regeneration sub-categories that are relevant to your investment	Commercial Residential
Select one or more cultural sub-categories that are relevant to your investment	Arts and Culture Creative Industries Visitor Economy Sports and athletics facilities Heritage buildings and sites

Provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome

The other funding applications submitted for each of the projects are outlined below:

The George

- The Regeneration Capital Grant Fund (RCGF) funding of £300,000 is allocated and secured from an overall allocation of £1.8m (see annex 11).
- DGC will provide (allocated and secured) matched funding of £567,000 for The George.
- This will account for 10% of the project cost.

Rocks and Wheels

- DGC will provide (allocated and secured) matched funding of £581,734 for Rocks and Wheels.
- This will account for 10% of the total project cost.

Stranraer Water Sports Hub

- DGC will provide (allocated and secured) matched funding of £518,070 for the Stranraer Water Sports Hub.
 - This will account for 10% of the project cost.
 - There is no other matched funding or funding requesting pending a result. Matched funding provided by DGC was confirmed at the Dumfries and Galloway Council meeting on Tuesday 28th June 2022 – See Annex 11.
-

Provide VAT number if applicable to your organisation

659 2420 25

Bidders are invited to outline how their bid will promote good community relations, help reduce disparities amongst different groups, or strengthen integration across the local community

Tackling disadvantage and poverty is a key priority for Dumfries and Galloway Council and we have developed these projects in collaboration with local communities as a route towards community empowerment and activation that will reduce inequalities and strengthen socio economic integration.

By focusing on projects that will take place in disadvantaged neighbourhoods, we will:

- support the local community in its efforts to revive town centres as places in which to live, work, learn, visit and play and in so doing build confidence and civic pride;
- support local young people by providing positive opportunities to improve their life chances;
- Support efforts to preserve the cultural, natural and social heritage of our region;
- Improve literacies, raise ambitions and promote wellbeing; and
- Deliver much needed economic opportunities through the establishment of a local enterprises, the development of visitor attractions with enormous branding opportunities, and the provision of employment and training opportunities for local people.

Through development and delivery of a continual programme of activities from these assets, communities will access opportunities to become activated and motivated, inspired and energised in a high quality environments that provides much needed inspiring experiences. Through this they will have opportunities to see themselves differently, as more creative and empowered with the confidence that they have valuable skills, abilities and insights. This is of particular value to disadvantaged and excluded communities, and the projects will work in partnership with specialist groups to tailor the activity programmes

that will contribute to our efforts to promoting good community relations and strengthening integration across local communities.

Is the support provided by a ‘public authority’ and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee?

Yes

Does the support measure confer an economic advantage on one or more economic actors?

No

Provide further information supporting your answer

Across the three projects, most elements of each project relate to providing benefit to the general public rather than granting an economic advantage to any economic operators. However, the bouldering centre and accommodation elements of both the Rocks & Wheels and George Hotel have the potential to be considered a subsidy. The ownership and operation of facilities such as these could be considered “economic activities” and so the operator could therefore be considered an economic actor in activities in which the private sector engages. However after an analysis of each project against the Subsidy Control principles listed in the Subsidy Control Bill, it is clear that where there is potential for a subsidy to be present in these projects, it is clear, following external expert advice taken, that these would be deemed a compliant subsidy.

Subsidy Control Principle Analysis

Subsidies should pursue a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns (“the objective”).

The LUF being applied to the re-development of (i) the George Hotel and (ii) Rocks and Wheels, would address a variety of social difficulties faced within Stranraer and Dalbeattie respectively. Both areas suffer from a range of deprivation factors including employment and health which these projects will directly address.

The relocation of the ferry terminal from Stranraer to Cairnryan in 2011, and the absence of passing traffic, has had a major negative economic impact on the town. 150 years of use as a gateway port to the UK has left the legacy of the harbour as a disused, industrial eyesore on Stranraer’s waterfront. Recent experience of private sector redevelopment proposals failing to come to fruition has confirmed that the current position is one of market failure. The commercial market will not be in a position to engage without a significant element of public sector investment as a catalyst to new development.

The interventions at Stranraer and Dalbeattie align with a range of public policy such as ‘Achieving a Sustainable Future’ Scottish Government’s Regeneration Strategy and of course the Levelling Up Agenda through achieving outcomes around the regeneration of vacant buildings for public benefit that will achieve increases in pay, employment and productivity, a rise in wellbeing and decreased inequalities. These are all areas that heavily impact the areas of Stranraer and Dalbeattie and these interventions will directly address these issues through :

(i) the revitalisation of the unused/redundant buildings for the benefit of the community; (ii) encouragement of the uptake in physical activity in the local community; and (iii) social and wellbeing objectives met (including meeting the needs of lower income families but also reintegrating them into the local community by having shared resources).

Subsidies should be proportionate and limited to what is necessary to achieve the objective

The funding interventions requested are derived from the development of project capital costings by professional design teams. Each project was already in development and the grant request is in line with the original aspirations of each project, the scope of which are proportionate and

reasonable to the objectives of each scheme. Each project has undergone cost reviews and reductions in order to be deliverable within the scope of funding available in order to achieve the stated objectives. Land acquisition costs are not being requested.

Subsidies should be designed to bring about a change of economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of subsidies being provided.

As noted above, Stranraer suffers from a range of market failures. Dalbeattie has similar market failure issues and both areas suffer from a range of deprivation across, employment, health, access and demographics that are higher than the national average. The subsidies involved here would contribute towards addressing each of these through the creation of jobs, increases in physical activity, physical regeneration and increasing the local tourism offering. The bid involves the regeneration of two sites that due to market failure, would not be feasible to develop without public funding and additionally, will be providing a new economic offering in each town that has the potential for bring each place in a new direction while taking advantage of the regions natural assets to drive economic growth by stimulating the visitor economy and driving increased footfall.

The subsidy is therefore essential in the mission of seeking to strengthen the economic profile of each area and due to market failure, would not be achieved in the absence of subsidies.

Subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy

Each of the three capital projects represent costs that will have required to be funded almost entirely from the public sector with some potential other charitable funding sources or small amounts of private finance based on revenue models. The scale of each project would present difficulties in obtaining sufficient funding from the traditional sources of funding for community led capital projects and LUF therefore provides an opportunity to fund each project to the level required to produce an effective impact on each area. There was no pre-existing commitment relating to the scope of each of the three projects in the bid and therefore the subsidy will not be compensating for costs that would have been funded without subsidy.

Subsidies should be an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means.

The intervention is deemed to be appropriate as the potential for market distortion is minimal and the wider public benefits heavily outweigh any potential distortion arising from bouldering and accommodation activities which are essential for the proposals to be sustainable in the long term and continue to provide that wider public benefit. The projects will meet outcomes across a range of public policy objectives and would not be able to go ahead without subsidy.

Subsidies should be designed to achieve their specific policy objective while minimising any negative effects on competition or investment within the UK.

The activities within the bid that are potential subsidies relate to bouldering walls and hostel style accommodation. In both cases, there are no similar offerings in the local area but will crucially provide a sustainable source of income for each project. The subsidy is therefore specific in its objective and unlikely to have negative effects on competition or investment. The intervention is much more likely to contribute towards a stronger tourism market that will benefit other economic actors in the area rather than compete with them.

Subsidies' positive contributions to achieving the objective should outweigh any negative effects, in particular the negative effects on trade or investment between the Parties.

As noted in the sections above, on balance the intervention has a positive impact, having listed and considered the advantages and disadvantages of the subsidy and the overall benefits that will be brought to the local community, such as:

- economic development for the area and for individuals through employment created and enhancing the local tourism economy

- social enhancements and community cohesion through the community hub activities of each proposal
 - increase in health and well-being through the range of physical activities that are a major theme of each project
 - physical regeneration and an improved environment and accessibility of the public assets through development of two vacant heritage sites and investment in a declining marina.
-

Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services?

No

Provide further information supporting your answer See above response.

Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?

No

Provide further information supporting your answer See above response.

Will you be disbursing the funds as a potential subsidy to third parties?

Yes

Upload a statement of compliance signed by your Chief Finance Officer

Statement of compliance document Proforma 5.pdf

Has an MP given formal priority support for this bid?

Yes

Full name of MP Alister Jack

MP's constituency Dumfries and Galloway

Upload pro forma 6 Proforma 6.pdf

Describe what engagement you have undertaken with local relevant stakeholders. How has this informed your bid and what support do you have from them?

Engagement has taken place over recent years to inform project development. All consultation activities were advertised on the Council website / social media, in local papers and through local community organisations. Where possible consultation continued online during the pandemic.

Dedicated consultation work has been undertaken for each project and further detail and evidence of support can be found in Annex 8 including a list of overall stakeholders.

There is Member and local councillor support for all three projects.

Stranraer Water Sports Hub

- Engagement approaches include Member briefings and an online engagement survey run in 2021/22.
- Received 300 responses to the survey:
95% of respondents said the project appealed to them and would be good for Stranraer.
15% expressed a desire to take part in volunteering.

The George Hotel

- A series of workshops / discussions were held with residents and businesses in 2019. Suggestions fed into designs including; creating publicly accessible spaces, artist / gallery space and visitor accommodation.
- In 2022 activities included; an online community survey (100+ responses), stakeholder presentation discussion and drop-in community consultation at the millennium centre. Large scale support for physical activities and skills uses. People expressed a desire to see the site transformed urgently before it deteriorates further and wanted the façade to be retained. This fed directly into the RIBA stage 2 feasibility report. Stakeholders were supportive of using LUF funding.
- Discussions with Historic Scotland suggest that although the full building was listed the majority was in despair due to roof collapse. Therefore, they were keen to keep the façade.
- A dedicated part time arts and engagement officer commenced post in June 2022. They will run further consultation events to feed into key points in the delivery.

Rocks & Wheels

- Between 2016 – 17 a series of consultation events ranging from public drop ins, visits to local community groups, community consultation (550 responses) and school presentations.
- In 2018 Public exhibitions were held online and in person showing the development site layout, aerial photographs and 3D site strategy.
- A community survey was held in 2022 received over 500 responses.
- Findings included;
Found broad support for renovating the old primary school building, 95% suggested sport / activity focused use for the site which has influence the redevelopment end use offer.
Overall support for the scheme and the layout.
81% were happy overall which what the project had to offer. 70% would be interested in enhancing skills and learning in a safe place – again, feeding into the end use design.

In 2018 the 10,000 Young Voices Survey was carried out across DGC. Approximately 47% of those aged between 10 and 25 years living, working or studying in Dumfries and Galloway responded to the survey. Key issues highlighted included a lack of activities for young people, poor mental health and bullying. All three projects in the package bid focus on active tourism for the region and will provide affordable provision for the community targeting young people.

Has your proposal faced any opposition?

Consultation has not revealed controversy or a lack of support for any aspect of the bid, with positive sentiment and support clearly evidenced in consultations documented in Annex 8 (Stakeholder Engagement and Letters of Support).

DGC and delivery partners have been proactive in communicating the projects through press releases, surveys and social media channels. This has generated significant interest amongst the local community, with the majority of

comments received being supportive.

Rocks & Wheels

Overall support of the scheme. Some concern that the development will exacerbate challenges with road parking in the surrounding area. The impacts on parking will be assessed as part of the design and access statement submitted as part of the planning application. Some concerns raised about what benefit the scheme will bring to the wider community. The Rocks & Wheels Centre will host community events at affordable prices to engage people in the activities on offer.

The George

Overall support but some mixed public opinion which varies between concern that full demolition would lose a heritage icon of the town's history and concern building retention will make any proposed project financially unviable. Public consultation has already focused on informing the public about the complexities and uncertainties surrounding full site demolition. The preferred design will keep the façade of the building whilst maximising what can be delivered on site and this has met with widespread support.

Stranraer Water Sports Hub

No opposition and no concerns raised.

Do you have statutory responsibility for the delivery of all aspects of the bid?

N/A

Provide evidence of the local challenges / barriers to growth and context that the bid is seeking to respond to

Stranraer and Dalbeattie are key towns providing vital roles for the communities they serve however their loss of historic role and function has contributed to specific challenges in each location. Furthermore, there has been a lack of investment to facilitate the reorientation of the economies to meet current drivers of growth, resulting in an untapped visitor economy.

Significant deprivation

- The share of data zones in Dumfries and Galloway within the 20% most deprived in Scotland has risen from 8.5% in 2016 to 9.5% in 2020.
- The projects will encourage pride in place, improving the appearance and offer of Stranraer and Dalbeattie to support an improved quality of life.

Declining and ageing population

- Dumfries and Galloway is home to 148,140 people and is characterised by a declining (-1%) and ageing population, with fewer young people (15.5% compared to 19% in the UK) and people of working age (58.1% compared to 62.4% in the UK). Without intervention, population projections forecast an 8% reduction by 2043.
- The project will stimulate town centre vitality in Stranraer and Dalbeattie, facilitating job creation and an improved leisure and recreation offer. This will enhance the ability of DGC to retain and attract young people and working age residents.

Stagnant employment growth

- Dumfries and Galloway has 67,000 employees in employment. Employment growth has been sluggish, with only 0.8% growth since 2015 (relative to 4.2% in the UK).
- The projects will create direct operational employment and indirect employment through stimulating spend in key towns.

Low skills

- 15% of the population in DGC have no qualifications, including 19% in Stranraer and 12% in Dalbeattie.
- All three projects will include skills training, workshops and events for the local

community including school outreach programmes.

Limited access to services and declining vitality and footfall in town centres

- The rurality of DGC means that the district ranks 7th out of 32 local authorities on the access to services SIMD, with 39% of all data zones considered access deprived. Stranraer has some of the longest travel times to access essential services. The main towns in DGC have been facing declining vitality and visitor appeal with high commercial vacancies (3.63%), dwindling tourist numbers since 2014 (5,470 fewer visitors, a decrease of 79%), and decreasing visitor spend of £1.9m (-97%).

- The projects will enhance leisure and recreation provision to drive activity and grow visitor numbers and spend in Stranraer and Dalbeattie.

Poor health

- Dumfries and Galloway suffers from poor health and wellbeing associated with deprivation, poor lifestyles and physical inactivity. Average life expectancy for both men and women (78 and 82) are below the UK average (79 and 83), with Stranraer in particular experiencing some of the highest early mortality rates.

- The projects will improve access to physical activity and improve health and wellbeing prospects.

Explain why Government investment is needed (what is the market failure)

Investment from the Government is required because there are multiple market failures which deter the private sector from funding the projects, specifically:

Imperfect information:

there is a lack of perfect information about Dumfries and Galloway's current assets and opportunities as a major source of tourism and footfall. This is holding back private investment which does not currently see the potential benefit from investing in assets such as Stranraer waterfront and providing a new bouldering and cycle facility in Dalbeattie.

Coordination failure:

despite there being desirable activities within Dumfries and Galloway which could attract private sector investment and generate economic growth, they are failing to take place due to poor coordination between plans. Capitalising on Stranraer's position next to Loch Ryan and creating a marina for water sports-based leisure whilst converting The George in accommodation will help maximise the tourism potential by encouraging visitors to prolong their visit to Stranraer. Without coordination, investment is unlikely to take place as the two activities are mutually beneficial but would require investment larger than the private sector alone could provide, representing a scale failure as well.

Externalities:

The former George Hotel and Dalbeattie primary school are currently disused and in a delapidated condition which hinders the reputation and image of Dumfries and Galloway as an attractive place to live, work and visit. The social cost associated with having delapidated buildings at the heart of Dumfries and Galloway's main towns are not directly priced into the market which results in a negative externality. However, there is a rationale for the public sector to fund enhancements to Stranraer waterfront, The George and the former Dalbeattie primary as these represent key heritage and natural assets which would be enhanced by LUF. Investing in these assets will catalyse change, driving positive externalities through improved reputation which will help secure investment and generate further usage. The project will also deliver wider social outcomes to the benefit of the wider society through improved skills, wellbeing and health outcomes which a private investor could not capture.

Explain what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers

Stranraer and Dalbeattie are key towns which have shared opportunities involving harnessing natural assets to drive growth in culture, leisure and the visitor economy. The bid targets vacant buildings and spaces in the towns to reactivate with new uses. The areas within Stranraer and Dalbeattie which are most deprived as identified in terms of both access to services and wider deprivation provide the focus of the bid, and will drive regeneration investment into the heart of these communities.

A longlist of 15 projects were initially considered in the context of supporting levelling up Dumfries and Galloway. These projects were spread across the region and were appraised against cost; strength of support; business case status; LUF alignment; readiness; spend; and strength of case, taking into account feasibility, demand, dependencies, risk, and value for money. A final shortlist was recommended to the DGC Steering Group and agreed.

Each shortlisted project underwent significant project development, including longlisting and shortlisting exercise to reach the preferred option:

- **Stranraer Water Sports Hub:** This project will regenerate Stranraer and its waterfront through a new Stranraer Water Sports Hub which will increase accessibility and usage of the coast, harnessing this natural asset to drive tourism potential and an enhanced recreation offer. The Centre will deliver events, training, community activity and regatta facilities.
- **The George:** Redevelopment of this derelict building in Stranraer will bring it back into use as a multi purpose hub for culture and recreation, including accommodation, art studios and exhibition space, and a climbing wall, alongside training, workshops and events. This will create an anchor attraction to drive town centre regeneration in the heart of Stranraer.
- **Rocks and Wheels:** Redevelopment of this redundant building in Dalbeattie as an outdoor activity centre will support growth in the visitor economy and meet community needs. Rocks and Wheels project seeks to take advantage of the explosive growth in the mountain biking tourism industry in Southern Scotland (D&G is identified as a priority area in Scotland and seen as a 'Sleeping Giant'. The site is on the doorstep of Dalbeattie 7Stanes trail with direct cycling path between. Dalbeattie 7Stanes is one of seven centre across southern Scotland that attract hundreds of thousands of visitors per year. 5 of the 7Stanes are within 20 miles of Dalbeattie in addition to extensive road and gravel cycling routes. The growth in this industry resulted in an increase in demand for associated facilities such as specific overnight accommodation, bike wash, drying rooms etc. A nearby case study that reflect how mountain biking can transform the economy of a declining rural town is that of Innerleithen in the Scottish Borders, which was once a booming mill town that suffered decline following the closure of mills. That decline was reversed due to community-led cycling activity attracting external investment/migration.

Detailed design and cost work was undertaken to inform this bid.

See table 4.4.3 i) Challenges / Barriers, Proposed Solutions and Supporting Evidence attached in option assessment report section.

Upload Option Assessment report (optional)

Table 4.3.3 Challenges Barriers Proposed Solutions and Supporting Evidence .docx

How will you deliver the outputs and confirm how results are likely to flow from the interventions?

The Dumfries and Galloway Levelling Up Fund package has been designed to deliver a range of outputs and outcomes that are aligned with local priorities and the Levelling Up White Paper Missions. The package responds to the challenges and barriers to growth identified in the answers to previous question through capital investment across two key towns in Dumfries and Galloway with the aim of unlocking the untapped potential of its visitor economy; enabling the local economy to become more productive and prosperous; and the health and wellbeing of its residents will be improved.

The George, Stranraer - this project will deliver:

- 1,037 sqm metre building
- An improved dilapidated building brought back into use
- 30 bed accommodation
- 15 direct jobs
- 3 trees planted
- 125 engaged in training for future employment
- 30 Volunteers engaged
- 28,000 visitors per annum for bouldering

These outputs will restore pride of place in a historic building allowing future generations to enjoy the historic asset through a commercially viable use that benefits the wider community. Transforming a building which currently blights the local landscape will support the objectives of making Stranraer a more desirable destination for visitors and improve residents' quality of life through the following outcomes:

- Increased tourism and footfall
- Increased participation in physical activity
- Increased flow from economic inactivity to employment
- Wider land value uplift of commercial and residential properties

The Stranraer Water Sports Hub is situated along Stranraer's marina which is an underutilised asset in the town, the outputs of this project will help address this through:

- 520 sqm new building
- 400 members of the different sports clubs per annum of SWSA
- 3 FTE's direct employment
- 12 learners supported in partnership with Dumfries and Galloway college
- 48 Volunteers engaged

Alongside the George, the Stranraer Water Sports Hub will work together to maximise opportunities for people to visit and stay in Stranraer with the following outcomes:

- Improved access to blue space
- Improved visitor experience and footfall
- Increased Watersports-based learning
- Improved skills and wellbeing amongst volunteers
- Increased participation in physical activity
- A wider land value uplift of residential and commercial properties

Given the size and rurality of Dumfries and Galloway, the Rocks & Wheels project in Dalbeattie will help spread the opportunities and benefits associated with LUF funding in key towns, delivering the following outcomes:

- Dilapidated building restored
- 1,707 sqm floorspace created including 298 sqm bouldering facility
- 5,500 visitors per annum for bouldering
- 18 FTE's direct employment
- 3 apprenticeships per year
- 60 bed accommodation
- 161 Volunteers engaged
- 50 trees planted

Rocks & Wheels takes advantage of the explosive growth in the mountain biking tourism industry. Sitting on the doorstep of the Dalbeattie 7 Staines Mountain biking trail centre, the development will generate outcomes including:

- Increased visitors spend
- Increased participation in physical activity
- A wider land value uplift of commercial and residential properties
- Generating new employment
- Improving the skills and wellbeing amongst volunteers

The Theory of Change diagram has been included as Annex 9.

**Theory of change upload
(optional)**

Annex 9 - Theory of Change.pdf

Explain how the component projects in your package bid are aligned with each other and represent a coherent set of interventions

The application submitted has put forward three projects responding to five

shared opportunities and challenges:

- 1) Employment – The projects will directly employ 37 people and another 10 are expected to benefit through the supply chain within Dumfries and Galloway. This is helping to provide much needed employment to rural areas of Scotland which have seen low levels of growth of the years.
 - 2) Vacant and under-utilised buildings and spaces - The projects will reactivate derelict buildings and underused spaces to act as a catalyst for future growth and regeneration of the two key towns.
 - 3) The Visitor Economy – Adventure and watersport-based tourism is expected to have wider economy benefits to Stranraer and Dalbeattie. Indoor climbing and bouldering is one of the fastest growing sports with the inclusion in the Olympics having a positive impact on the take-up. Rocks & Wheels and The George both provide accommodation for overnight visitors to the area which will help keep spending in the local area and would encourage visitors to spend additional expenditure in both Stranraer and Dalbeattie.
 - 4) Participation in Sport – Climbing, Biking and Watersports are at the heart of physical activity directly being delivered as part of each scheme. Each project has forecasted the future number of users with wider benefits including improved health, confidence and quality of life.
 - 5) Inclusive Social initiatives – The scheme will work with the local community and college to deliver social based initiatives. Each project provides volunteering, qualifications, training and placement opportunities.
-

Set out how other public and private funding will be leveraged as part of the intervention

DGC is committed to the regeneration and economic growth of Stranraer and Dalbeattie. It has approved the provision of 10% match funding to support the LUF bid. DGC will also work closely with project leads to provide active support and engagement to secure further complementary funding as required. This is likely to include the following funds:

- National Lottery Community Fund
- National Lottery Heritage Fund
- South of Scotland Enterprise (SoSE)
- Sports Facilities Fund - Sports Scotland
- Regeneration Capital Grant Fund
- Creative Scotland
- Robertson Trust
- Tudor Trust
- Hollywood Trust
- Kilgallioch Community Fund
- Crown Estates Sustainable Communities Fund
- Coastal Communities Fund
- Landfill Communities Fund
- Historic Environment Scotland
- Shared Prosperity Fund
- The Rowing Foundation

Funders will provide a mix of capital and revenue funding.

Explain how your bid aligns to and supports relevant local strategies and local objectives for investment, improving infrastructure and levelling up

The Environment Strategy for Scotland: Vision and Outcomes, 2020

- Aims to transform Scotland for the better and end Scotland's contribution to climate change. Including use and re-use resources wisely.
- The George will renovate a derelict and dilapidated building. Resources will be re-used wherever possible during construction.

Scotland's National Strategy for Economic Transformation

- Policy 5: reorient our economy towards wellbeing and fair work, to deliver higher rates of employment and wage growth, to significantly reduce structural poverty, particularly child poverty, and improve health, cultural and social

outcomes for disadvantaged families and communities.

- The package of projects within this bid respond to this policy which outlines sustainable tourism as a key opportunity for rural communities

Scottish Government - Community Empowerment Act 2015

- Aims to change the balance of power between communities and the public sector. Introduces many more rights for community bodies. Strengthens the voice of community groups in the decisions that matter to them. Encourages partnership working between service providers and communities, cementing the focus on achieving outcomes and tackling inequalities. Enables communities to make requests not just to local authorities but to a wide-ranging list of public bodies (relevant authorities), for any land or buildings they feel they could use in a better way to deliver services and benefits
- Dalbeattie Community Initiative and Stranraer Watersports Association are rooted in the local community, empowering local people to take decisions about the future of their respective towns. The bid represent examples of partnership between community and service providers through both the transfer of council owned land and collaboration through the development of the respective projects.

Scottish Government's Regeneration Strategy

- Achieving Sustainable Futures, Focusses on regeneration of Scotland's most deprived communities through the achievement of benefits across social, economic and physical outcomes through regeneration.
- Dalbeattie and Stranraer are both areas of deprivation and market failure. The bid will directly meet regeneration outcomes through the restoration of two vacant and derelict buildings and the revitalisation of a marina. Building community wealth is at the heart of each project.

Scotland's Social Enterprise strategy

- Priority 1 relates to Stimulating Social Enterprise
- Each of the projects in the bid present a long-term, financially self-sustainable business model that will benefit the community in the long term.

Scotland's National Performance Framework

- Covers a number of relevant priorities, such as children and young people, communities, culture, economy, education, environment, fair work & business and health poverty.
- The package of projects would contribute directly to successful realisation of the Framework's target outcomes. They will create opportunities for increased participation in cultural / leisure / physical activity appealing to a wide range of users at the heart of a diverse and widespread community. They contribute to healthy and active lifestyles, that support wider objectives around a wellbeing economy.

Scotland Covid Recovery Strategy: for a Fairer Future, 2021

- Vision for recovery and addressing the systemic inequalities made worse by Covid i.e Fair work and Wellbeing of Children and Young People
- The LUF projects will create new jobs for local people and pay a living wage for the area.
- All three projects include a physical activity element and promote inclusion in exercise groups.

Local Development Plan 2, 2019

- The development of new residential areas will apply pressure on existing community services and facilities. The council aims to support new facilities where appropriate.
- All three projects will provide community outreach programmes within the new facilities.

Regional Economic Strategy, 2019

- Dumfries and Galloway is not visible at a national level and under-promoted as a place to visit. Declining and ageing population with significant youth unemployment.
- GVA per hour worked in Dumfries and Galloway is 82% of the Scottish average.
- The inequalities strategy aims to maximise community benefits from investment.
- All three projects will engage local children / school groups to undertake access free sessions at the centres.

Dumfries & Galloway Poverty and Inequalities Strategy, 2021-2026

- Around one in five residents in Dumfries and Galloway live in poverty and 11.5% of the population are considered income deprived.
- Child poverty is a particular concern with 26.2% of children in the region living in households with below 60% median income before housing costs.
- The policy aims to reduce the financial pressures on people in poverty and build individual communities' ability to deal with the effects of poverty.
- All three projects will provide new jobs at and above the Living Wage level
- The activities based within the projects will be affordable for local people to access.

Education Authority Annual Plan, 2019/20-2022/23

- Children and young people's health and wellbeing needs to be improved. The policy aims to support children to be healthy and active.
 - All three schemes include outreach programmes with children and young people that are based around the creative arts or physical exercise.
-

Explain how the bid aligns to and supports the UK Government policy objectives

The LUF package bid will support wider national policy objectives for a greener, healthier, more economically prosperous United Kingdom. The projects in this bid directly align with net zero objectives. See Annex 21, table 4.4.2.

Levelling Up White Paper 2022

- The Levelling Up White Paper offers 12 missions, of which includes pride in place, well-being and pay productivity & employment. Together, these missions build 6 capitals and deliver relevant objectives to Stranraer and Dalbeattie.
- Projects within the LUF will align to the following missions;
 - Skills
 - Health
 - Wellbeing
 - Pride in Place

Clean Growth Strategy

- Growing UK national income while cutting greenhouse gas emissions. It aims to increase our productivity, create good jobs, boost earning power for people right across the country while protecting the climate and environment for future generations.
- All three projects in this bid will be delivered using modern construction methods and saving materials wherever possible.

Clean Air Strategy

- Outline new legislation to create a stronger and more coherent framework for action to tackle air pollution. Underpinned by England Wide Powers to control major sources of air pollution.
- During construction all effort will be made to minimise any air pollution during construction and occupation.

Climate Change Act, 2008

- Reduce UK emissions by at least 68% by 2030 and 100% by 2050 (compared to 1990 levels)

- The investment in all three projects will facilitate carbon savings through a high energy efficiency rating in public buildings.

The Ten Point Plan for a Green Industrial Revolution, 2020

- Point 7: Greener Buildings. This seeks to make our buildings more energy efficient.
- Each project will be reusing materials where possible

Build Back Better High Streets, 2021

- Support the evolution of high streets into thriving places to work, visit and live. Including breathing new life into empty buildings and creating safe and clean spaces.
- The George project will renovate the derelict building based on one of the main high streets in Stranraer and create an inviting mixed use development. The Rocks and Wheels Centre and Stranraer Water Sports Hub will create new inviting community facilities.

The Environment Strategy for Scotland: Vision and Outcomes, 2020

- Aims to transform Scotland for the better and end Scotland's contribution to climate change. Including use and re-use resources wisely.
- The George will renovate a derelict and dilapidated building. Resources will be re-used wherever possible during construction.

Alignment and support for existing investments

Where applicable explain how the bid complements or aligns to and supports existing and/or planned investments in the same locality

The Stranraer Water Sports Hub and the George are part of a wider regeneration scheme around Stranraer Marina. Table 4.4.3 i) in Annex 21, shows planned or existing developments in Stranraer

Existing Development

- Agnew Park Regeneration, £900k development (£400k Coastal Communities Fund, £464k DGC)) to create a new café at Agnew Park Pavilion and regeneration of Agnew Park. The Stranraer Water Sports Hub will sit directly adjacent to the Agnew Park development.
- Former Harbourmaster's Building , £1.8 million development from the (of which £400k is from the Regeneration Capital Grant Fund) to refurbish and extend the former Harbourmasters building at the Stranraer waterfront. The development will form a community visitor information point with associated offices and will be operated by the Stranraer Development Trust. The former Harbourmaster's building is directly east of the Water Sports Hub. Both projects work together to improve the look and feel of the marina.
- New Harbourmaster's Building. Part of the £10 million Sail West Marine Tourism initiative, this £600k project involves constructing a new harbourmaster's office to replace the old building which was later refurbished and extended to create a visitor centre.
- Castle Square Regeneration, £2.5 million project to renovate a key public realm area with new lighting and replacing the Victorian fountain. Castle Square is on the same road as the George. It is the first public square near the George and will complement the development.
- Stranraer Conservation Area Regeneration Scheme, A £1.9 million conservation scheme (funded by Conservation Area Regeneration Scheme) to provide financial assistance to owners of local premises making repairs / restoration. The George sits within this conservation area.
- Stranraer Millennium Centre. £2.5 million Regeneration Capital Grant Funding / DGC match funding to repurpose and expand a key building in George Street to form the Millennium Centre. Completed in Autumn 2019, the site provides space for community groups, an events venue, and office accommodation for local businesses. The Millennium Centre is close to The George. The facilities in The George will complement provision in the Millennium Centre.

Planned Development

- Stranraer Marina Expansion. £18 million project (£16 million Borderlands Inclusive Growth Deal and £2 million Dumfries and Galloway Council) to expand the Marina by 154 extra births (to a total of 223). The Stranraer Water Sports Hub sits within the Stranraer Marina. The development will offer tourism offer to complement the other leisure development such as new bars and restaurants.

Table 4.4.3 ii) in Annex 21, shows planned or existing developments in Dalbeattie.

Existing Development

- Birchvale Theatre , £450,000 project funded by Town Centre Fund that provided a space for Birchvale Group to deliver more theatre-based activities for autistic / neuro typical young people. The project was completed in 2021 (<https://www.birchvale.scot/birchvale>). The Birchvale Theatre sits on the other side of town to the Rocks and Wheels Centre it offers an arts leisure offer as opposed to an active offer.
- Dalbeattie Shared Learning Campus , £26.5 million to amalgamate Dalbeattie High School with both the Primary School and Nursery School. Delivered by Dumfries and Galloway Council with Scottish Government Funding, the project won the "Best Social Infrastructure Project" at the International Partnership

Confirm which Levelling Up White Paper Missions your project contributes to

Select Levelling Up White Paper Missions (p.120-21)

Living Standards
Skills
Health
Wellbeing
Pride in Place
Local Leadership

Write a short sentence to demonstrate how your bid contributes to the Mission(s)

The George project will contribute to the following Levelling Up Missions:

- Mission 3, Health – the project will offer physical activity facilities including a climbing wall.
- Mission 6, Skills – providing community workshops and classes in creative pursuits such as pottery and photography.
- Mission 8, Wellbeing – residents engaging in a new arts / cultural hub in Stranraer will improve sense of community, mental health and well-being.
- Mission 9, Pride in Place – the George was once an icon of Stranraer but now sits derelict in the centre of town. Bringing it back into use will improve perceptions of Stranraer and increase engagement in local culture / community.

The Stranraer Water Sports Hub project will contribute to the following Levelling Up Missions:

- Mission 3, Health – the project will offer physical water-sports activity facilities and classes.
- Mission 7, Skills – the Water Sports Hub will provide outdoor pursuits classes for school groups and provide essential water safety skills.
- Mission 8, Wellbeing – providing a Water Sports Hub will increase community participation in exercise in turn improving wellbeing and life satisfaction.
- Mission 9, Pride in Place – developing the Water Sports Hub will help to make Stranraer a visitor destination and improve local residents pride in place.

The Rocks and Wheels project will contribute to the following Levelling Up Missions:

- Mission 2, Skills – the project will offer training opportunities in hospitality and tourism for local colleges.
- Mission 3, Health – the project will offer physical activity facilities including a pump track, climbing wall and bouldering facilities.
- Mission 8, Wellbeing – Rocks and Wheels will increase opportunities to take part in physical activity and will improve confidence and sense of community.
- Mission 9, Pride in Place – create a destination that local residents are proud to have in Dalbeattie and increase engagement in local culture.
- Mission 12, Local Leadership - Empowering 3 local groups to control their own assets.

Provide up to date evidence to demonstrate the scale and significance of local problems and issues

The wider local authority in which this bid sits (Dumfries and Galloway) fall within Priority Group 1 for the LUF according to the Index of Priority Places, driven particularly by the need for regeneration.

Dumfries and Galloway has a GVA per head 18% lower than the UK and 8% lower than Scotland. And despite its immense tourism potential, visitor numbers are down since 2014 (5,470 fewer visitors, a decrease of 79%).

Its weak economy is reflected in several other datasets, including labour market statistics. The economic activity rate is 4.4 percentage point lower than in Great Britain with over one in four (27%) economically active wanting a job. This is much higher than the 18.6% in Great Britain. But low job densities highlight the lack of employment opportunities. At a ratio of 0.70 in Dalbeattie and Castle Douglas travel-to-work area and 0.77 in the Stranraer travel-to-work area there are far less jobs to residents that nationally. To achieve the UK

job density level, a net additional 1,400 jobs (+20%) and 630 jobs (+9%) would need to be created in Dalbeattie and Castle Douglas and Stranraer respectively.

The consequences of Stranraer and Dalbeattie's weak economies are reflected in their IMD scores. The two projects that sit within Stranraer (the George and Water Sports Hub) are in one of Scotland's most deprived LSOAs (East 01).

The Rocks and Wheels project, whilst technically located in a slightly less deprived LSOA, is positioned close to the border of a neighbouring (and far more deprived) LSOA where the project impacts are expected to also fall.

Overall, Dumfries and Galloway has 9.5% of its data zones featuring in the 20% most deprived in Scotland on the SIMD education domain which considers qualifications, attainment and attendance. 15% of the population in Dumfries and Galloway have no qualifications, including 19% in Stranraer and 12% in Dalbeattie. Figure 11 in Annex 21 shows an infographic of deprivation in Scotland.

Demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues

Our full appreciation of the local economic needs is informed by a matrix of national statistics, local surveys and continuous local engagements. This provides a comprehensive understanding of the needs in the immediate investment area and wider impact area.

Specific evidence highlighted:

Data, Source, Robustness

- GVA per head of population, May 2022, ONS, Balanced measure of GVA is a National Statistic. Data used is latest available.
 - Economic Activity, June 2022, ONS, National Statistics. Data is latest available.
 - Job Density, June 2022, ONS, National Statistics. Data is latest available.
 - Scottish Index of Multiple Deprivation, 2020, Scottish Government, Index based on matrix of national and official statistics.
 - Tourism numbers, 2014-2019, STEAM, Leading tourism economic modelling tool for both staying and day visitors utilising a number of datasets including national statistics.
-

Demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions

The projects within this bid are in the following Data zones:

- The George and Water Sports Hub: S01007487, Stranraer East – 01
- Rocks and Wheels: S01007541, Dalbeattie - 04

The surrounding Data zones (included in the wider impact area for economic benefits) are:

- The George and Water Sports Hub: Stranraer West 04 & 06, Stranraer East 01 and 02 and Stranraer South 01
- Rocks and Wheels: Dalbeattie - 03 Dalbeattie - 04

To assess the economic value of the proposed interventions wider land value uplift associated with the completed regeneration has been estimated using residential property prices (ONS Agency) and commercial property prices (Co-Star) within a 500-metre catchment area which is best fits with Dalbeattie and Stranraer.

To assess the economic benefits of the proposed interventions, direct economic benefits (e.g. GVA and jobs) have been assessed at the Dalbeattie or Stranraer (and therefore DGC) spatial level. Indirect and induced benefits have been assessed at the DGC spatial level. Where possible localised data on a LSOA or local authority basis has been included to ensure the

assumptions made are reflective of the area of investment. Due to the nature of the investment, these are conservative assumptions associated with the benefits of the scheme.

Provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems

Gross Value Added and place-based impacts

Each project will provide an opportunity for employment in the local area.

Gross Value Added (GVA) through job creation has been quantified for each of the three projects using HM Treasury's guidance on place-based approach. As mentioned previously, GVA is a more appropriate measure of quantifying the impacts of the scheme rather than Direct Land Value Uplift as the scheme as it meets the following criteria stated in Green Book Box 25 (page 100):

- Proposals have a focus on a specific part of the UK (Dalbeattie or Stranraer).
- The analysis is proportionate to the scale of the effects on the affected area in relation to their existing situation.

Wider Land Value Uplift

Dalbeattie and Stranraer are both targeting tourism-based activities in the area which will drive increased footfall in the two towns. The increase in footfall will take place in Stranraer and Dalbeattie which are located in very close proximity to the town centre. Two of the projects provide accommodation for tourists to stay and will encourage expenditure in the local area. The expenditure in the local area will have a positive impact on both commercial properties in the area but also residential properties through the increased desirability of the area as a place to live through an enhanced culture and leisure offer and enhanced public realm through tackling derelict and vacant buildings.

Skills, apprenticeships, employability training provision

Dumfries and Galloway perform poorly in IMD data for skills and qualification achievement within Scotland. Each project will create opportunities to enhance the human capital of local people in Dalbeattie and Stranraer. The George will work with the local college, including work placements in the hospitality sector providing 20 students per year with placements. The Stranraer Water Sports Hub will work with Dumfries and Galloway College to provide SCQF Level 5 qualifications for 12 people per annum. This provides practical experience in water experience including kayaking, rowing, paddle boarding and sailing. Rocks & Wheels will provide 3 apprenticeship per annum with the potential for more learning and qualification through the learning space provided.

Volunteering

SWSA and R&W will generate significant volunteering opportunities within the local community. They will be essential to ensuring the facility meets the needs of the community but in their own right will provide an essential contribution to creating a place that enables social engagement, reduces isolation and promotes cohesion. Based on similar schemes and the types of interventions they are implementing the number of volunteers has been estimated. SWSA have estimated that the number of volunteering roles will increase to 48 (currently at 12) whilst based on social value impacts reports undertaken by Rocks and Wheels, they expect for every 1 job created, they expect 7 volunteering opportunities.

Participation in Sport

Dumfries and Galloway has high levels of residents with poor health and levels of participation in physical activity are low. Each of the three projects has leisure-based activities at the heart of the intervention method. Rocks and Wheels and the George will provide bouldering facilities which is being increasingly popular due to its inclusion in the Olympics in 2020. Based on demand forecasting estimated by DCI and BE Group, Rocks and Wheels and the George are expected to have 5,500 and 28,000 visitors respectively for bouldering per annum. The Stranraer Water Sports Hub will provide a centre for multiple different Water Sports to take place at Stranraer Marina with an estimation of 400-450 members once the scheme is fully operational.

Describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs

A robust forecasting model built on a series of assumptions has been established in order to quantify the benefits and costs of the scheme and determine the Value for Money (VfM) being achieved through the proposed intervention.

All methods and assumptions are drawn from the following Government publications:

- HM Treasury, Green Book (2022)
- DLUHC, Appraisal Guide (2016)
- Levelling Up Fund Documents (2022)
- Homes England, Additionality Guidance, 4th Edition (2014)
- Homes England, Employment Density Guide, 3rd Edition (2015)
- HACT, Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach (2014)
- HM Treasury, GDP Deflator (March 2022)

Gross Value added and place-based multipliers

HM Treasury's Green Book outlines a place-based approach can be used to appraise economic benefits through job creation. Localised GVA per FTE data has been used based on local data for Dumfries and Galloway with no real growth assumed. Indirect job creation has been captured based on Scottish Input-Output multipliers (indirect or Type 1 only) which provide sector breakdowns of how the supply chain will benefit from interventions proposed.

Wider Land Value Uplift

Clear evidence to suggest exists that regeneration, tourism and place-based initiatives will lead to increased property and commercial values. There is a range of evidence to demonstrate that good design and quality spaces increase property prices and rents. Research commissioned by CABE (Better Designed Streets) identified a direct link between increases in footfall, dwell time and attractiveness of an area with enhancing real estate values. A 2016 study by CBRE on behalf of the Royal Institute of Chartered Surveyors found a strong link between placemaking and commercial values, with commercial premium of up to 50% achievable on some new build sites. We therefore consider the scale of uplift applied here to be highly conservative.

Volunteering

The number of volunteers has been calculated on detailed social value analysis carried out on behalf of the DCI. The report recommended that based on similar schemes and their knowledge of the area that every 1 position, will generate 7 volunteering opportunities. For the Stranraer Water Sports Hub, external consultants have calculated the number of volunteers based on the existing number of board members and future volunteers required to deliver activities/sessions and to support the rowing development. The George has estimated 30 volunteers based on the likely courses which will benefit 105 people per annum (explained below).

Participation in sport

Demand studies have been used to calculate the likely take-up of visitors and members of the different projects. The assumptions made in the economic case are consistent with those of the operational cashflow for each project and provide a conservative estimate of future take-up.

Employability, skills and training provision

Projects are working in partnership with local charities, colleges or other organisations who have a presence in the local area to deliver key skills and employment training for the local area. Key stakeholders have been engaged during the project development to ensure that the number of people undertaking training is reflective of the scope of the project.

Explain how the economic costs of the bid have been calculated, including the whole life costs

A more detailed breakdown of the analysis of economic costs is shown in Annex 10 (D&G BCR Methodology Note).

The costs of the proposed scheme have been estimated and align with those set out in the financial case. This covers all capital costs including, construction, design, professional fees, risk/contingency and an adjustment for inflation. In line with HM Treasury Guidance, the scheme costs use the following methodology:

- Estimation of outturn prices
- Adjustment to real prices
- Adjustment for optimism bias
- Discounting costs to 2022 values

The BCR explanatory note provides a detailed breakdown of each step in the process of determining the economic case.

Outturn Prices

The three projects are estimated to cost £19.7m with £17.7m. from the Levelling Up Fund with 10% matched funding of £2.0m. Please note, there are costs stated in the financial case include VAT for Stranraer Water Sports Hub and Rocks & Wheels which have been removed in the economic case in line with HM Treasury guidance. This provides an Outturn Cost of £17.8m. A breakdown by project is shown below.

All costs per project are public sector costs. VAT has been removed by dividing by 1.2 to cost items which would incur VAT. A full breakdown of which items would incur VAT is stated in the financial case.

Real Costs

The base cost estimates does not consider the real increases in costs over time and needs to be adjusted to account for the effects of the general level of inflation in the economy. The latest GDP deflator published by HM Treasury (31 March 2022) have been used to estimate in real 2022 prices. This uses OBR forecasts over the construction period.

Optimism Bias

Optimism Bias (OB) has been applied to the capital costs, to account for potential overruns. To estimate OB, HM Treasury's Green Book Optimism Bias Guidance was followed. The recommended optimism bias uplift for the scheme (classified as a standard buildings project or a nonstandard building) is between 2%/4% (lower limit) and 24%/51% (upper limit). Based on each project currently at RIBA Stage 2, we have assumed based on the level of design and the stage of development that a mitigation factor of 50% (therefore using the mid-point) can be applied for each project with the OB applied shown in the table below.

- Rocks and Wheels, Non-standard building project, 27.5% Optimism Bias rate (50% mitigation)
- Stranraer Water Sports Hub, Building project, 13.0% Optimism Bias rate (50% mitigation)
- The George, Building project, 13.0% Optimism Bias rate (50% mitigation)

Discounting to Present Values

Discounting is the time preference assumption that generally people prefer value now rather than later and is applied to all costs and benefits. A discount factor of 3.5% per annum has been applied to all scheme costs incurred.

The present value of each project is stated below within the BCR note (Annex 10) and the cost tables in annex 2 splitting this into LUF and other public funding.

Describe how the economic benefits have been estimated

Benefits have been calculated in line with the relevant guidance with more detail also provided in Annex 10 (BCR Methodology Note). The benefits come forward once the scheme is operational and run until the end of the appraisal period. The appraisal period runs from 2022/23 – 2031/32 with most benefits having a 7/8 persistence period apart from WLUVU which is captured over a 5-year period. All benefits have been discounted at a rate of 3.5% and applied appropriate additionality.

Gross Value Added and place-based multiplier impact:

As part of the project development of the schemes, job (direct gross) estimates have been estimated based on the operating cashflows of each of the three projects with a weighted GVA per FTE calculated based on the types of job roles and sector of the job. Using Scottish Input-Output data a sector specific multiplier effect has been selected and applied to calculate indirect (supply chain) employment impacts. Further details about these assumptions are provided in the BCR Methodology Note or Annex 21 (full version of the submission with tables).

In accordance with Green Book and HM Treasury guidance leakage and displacement has been applied at a rate of 25% each, with an overall additionality factor of 56.25%.

Wider LVU:

Wider land values of both housing and commercial sites in the areas surrounding the Rocks and Wheels and the Stranraer Water Sports Hub and George Hotel (500m) will increase in the order of 1.5% per annum over a five-year persistence from 2026/27. This is significantly less than the 5% shown in the Towns Fund worked example guidance or 2% stated in the Future High Streets Fund guidance. To avoid estimating the impact area in Stranraer, only the impact around the Stranraer Water Sports Hub has been identified for commercial WLVU and around the George for residential WLVU with the benefits equally proportioned against the two projects in Stranraer. A displacement rate of 25% has been applied, with an overall additionality rate of 75% for all projects.

Participation in Sport:

Each project will provide opportunities to participate in sport. The well-being aspect of moderate exercise has been monetised using the HACT Social Value Calculator. For every unique visitor (who takes part in exercise at least 1 a week for at least two months times per year a monetary value of £4,600 in 2022 real prices can be applied from scheme opening until the end of the appraisal period.

For R&W and the George a conservative assumption that that the average visitor will attend 48 times per year has been applied to throughput values. The George and R&W estimates throughput of 28,000 and 5,500 when fully operational based on the operating cashflow. Leakage has been applied at 50% (to account for the adventure tourism element of the interventions) whilst displacement and HACT deadweight of 19% and displacement at 25% provides an overall additionality rate of 37.5%.

Participation in water sports has also been estimated based on the expected members (i.e. unique visitors). It is estimated when fully operational up to 400 members will take part in a variety of Watersports based activities increasing from the current level of 65 members (approx. 20%). As the intervention is more focussed within the targeted area a lower rate of leakage and less likely to crowd out other investment in the area, a leakage and displacement rate of 50% and 15% have been used respectively. This provides an overall additionality factor of 30.1%.

Volunteering:

Each project will provide opportunities for weekly volunteering to take place at each site. A monetised value for volunteers who do so at least once a month over a two-month period (6 times a year). In practice it is anticipated that volunteers would be actively volunteering on a much more regular basis (in some cases weekly on average for 3 hours) than this based on the nature of the community involvement and the types of activities that they will undertake at each of the three projects. The number of volunteers per annum has been monetised based on a value of £3,600 (2022 real prices). Based on the types of schemes the following information has been used to quantify the impacts. For this benefit it has been assumed a low displacement rate of 25%, deadweight value of 25% for the Water Sports Hub or a HACT deadweight of 19% for the other two projects.

Employability, skills and training provision:

Social initiatives are at the heart of each project to ensure that local people are the beneficiaries of the investment. The George will work with the local college to provide entry level hospitality placements per year (20) and providing training courses (entry level) in 105 other qualifications including, arts, bouldering and hospitality. The Stranraer Water Sports Hub is providing a SCQ5 in Watersports for 12 people a year. It has been assumed a HACT deadweight of 15% with 25% including to cover displacement. Rocks and

Wheels will provide 3 apprenticeships as part of the day-to day operation of the site (as shown in the Operating Model). It has been assumed that no jobs or apprenticeships would come forward without the scheme and have applied a deadweight of 0% with 15% to cover the minimal impacts of displacement.

Total benefits per project:

- A breakdown of the benefits per project is shown in the cost workbook, BCR methodology note or Annex 21.
 - R&W – Total benefit (2022 real prices & after additionality and discounting), 12,836,521
 - Water Sport Hub – Total benefit (2022 real prices & after additionality and discounting), 12,730,292
 - The George – Total benefit (2022 real prices & after additionality and discounting), 18,177,567
-

Provide a summary of the overall Value for Money of the proposal

The Value for Money statement has been summarised in accordance with the Levelling Up Fund, DLUHC and HM Treasury guidance with the diagram showing how it is being derived, please see attached note or figure 13, Annex 10.

The programme BCR has been estimated at 2.28 which demonstrates High Value for Money is further strengthened by the non-monetised impacts when considering the scale of the impacts. Given the likelihood of these benefits being accrued and the robustness of the data which sits behind the modelling of the benefits the initial BCR is the same as the adjusted BCR for all three projects.

The BCR for each project is the following:

- Rocks & Wheels – 2.20 which shows High Value for Money and High value for money when considering Non-Monetised Impacts
- Stranraer Water Sports Hub – 2.87 which shows High Value for Money and Very High value for money when considering Non-Monetised Impacts
- The George – 2.04 which shows High Value for Money and High value for money when considering Non-Monetised Impacts.

Switching values have been calculated to determine how a change in costs or benefits would affect the Value for Money category. The tables below show the point at which scheme costs or benefits change the adjusted BCR to 1.5 and 2.0 for each project.

Changing the BCR to 1.5 for each project

R&W, Benefits would need to decrease by £4.1 million or 31.8% or

R&W, Costs would need to increase by £2.7 million or 46.7%

Stranraer Water Sports Hub, Benefits would need to decrease by £6.1 million or 47.6% or

Stranraer Water Sports Hub, Costs would need to increase by £5.2 million or 91.1%

The George, Benefits would need to decrease by £4.8 million or 26.4% or

The George, Costs would need to increase by £3.2 million or 35.9%

Changing the BCR to 2.0 for each project

R&W, Benefits would need to decrease by £1.2 million or 9.1% or

R&W, Costs would need to increase by £0.6 million or 10.0%

Stranraer Water Sports Hub, Benefits would need to decrease by £3.8 million or 30.2% or

Stranraer Water Sports Hub, Costs would need to increase by £1.9 million or 43.3%

The George, Benefits would need to increase by £0.3 million or 1.9% or

The George, Costs would need to decrease by £0.2 million or 2.0%

Upload explanatory note
(optional)

Annex 10 - D&G BCR methodology note.pdf

Have you estimated a Benefit Cost Ratio (BCR)?

Yes

Estimated Benefit Cost Ratios

Initial BCR 2.28

Adjusted BCR

Describe the non-monetised impacts the bid will have and provide a summary of how these have been assessed

The proposed intervention methods will provide wider benefits which have not been quantified as part of the benefit-cost ratio. A summary of these are included below.

Rocks and Wheels

Land Amenity – Community public square (slight beneficial)

The attractiveness of the land will be improved by landscaping to improve the Community public square which will help enhance the wider town centre and appeal to visitors.

Mountain biking impact (moderate Beneficial)

This will capitalise upon a growing visitor and sporting market in Scotland making Dalbeattie a first-choice destination and improve the health of residents.

Pump track participation (slight beneficial)

Guided sessions will encourage residents to participate in new sporting activities and improve confidence whilst having positive benefits for the general health of participants.

Accommodation (moderate beneficial)

The provision of accommodation will help to keep the expenditure of visitors in Dalbeattie and also will provide some increase in the value of the land from a change in use.

The George

Keeping of the façade (slight beneficial)

Retaining the façade will improve the appeal of the George and generate pride of place in a piece of local architecture with historic significance, contributing to the character and visual appeal of Stranraer.

Art and gallery space (moderate beneficial)

The art gallery space will contribute to creating an experiential offer along the high street which encourages people to visit and spend time in the town centre.

Accommodation (moderate beneficial)

The provision of accommodation will help to keep the expenditure of visitors in Stranraer and also will provide some increase in the value of the land from a change in use.

Stranraer Water Sports Hub

Improved confidence of young people (large beneficial)

The project will work with school children to provide them with opportunities to get involved in water-based sports. Bodies of water are perceived to have positive soothing and calming effect on people's minds. Watersports focus the attention solely on the activity, which can help to an individual to leave stress on shore, relax and de-stress. When practiced regularly, Watersports can work to reduce depression and increase self confidence

Increased visitors (large beneficial)

Increased visitor numbers of around 1,240 to Stranraer will have a positive impact upon local businesses in the area, creating more visitor spend and improve Stranraer's appeal which has been reflected in the increased wider land value uplift.

Working with school children (large beneficial)

The proposed delivery of 1 day 'taster' sessions offered to schools would initially be on the basis of all primary school pupils over the age of 8 being offered this annually (this is an extension of the "Lets Get Wet programme" currently being delivered by SWSA) currently this is offered within the immediate catchment of Wigtownshire schools but could realistically be extended to all primary schools in DGC once the hub is open as for this type of activity it would be commonplace to travel out with the school catchment area, particularly for such a unique offer as the hub will have.

Provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid

To ensure robustness of the analysis undertaken several sensitivity tests were undertaken with the impact on the adjusted BCR shown in the table below. Given the likelihood of these benefits being accrued and the robustness of the data which sits behind the modelling of the benefits the initial BCR is the same as the adjusted BCR for all three projects.

Sensitivity Test 1 – 20% reduction in participation in sport,
Sensitivity Test 2 – No place-based multiplier impact,
Sensitivity Test 3 – reduction in Wider LVU growth rate to 1%,
Sensitivity Test 4 – increase in OB applied at the upper bound rate to 51%, 24% and 24%,
Sensitivity Test 5 – reduction in WLVU by 50%,

All sensitivity testing results are shown in Annex 10 (BCR note) and show that the monetised BCR is above 1 before considering non-monetised impacts associated with the scheme.

Upload an Appraisal Summary Table to enable a full range of impacts to be considered

Appraisal Summary Table 1

Upload appraisal summary table	Annex 10 - D&G BCR methodology note.pdf
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Additional evidence for economic case

None selected

Confirm the total value of your bid

Total value of bid	£19665464
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Confirm the value of the capital grant you are requesting from LUF

Value of capital grant	£17698660
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Confirm the value of match funding secured

Evidence of match funding (optional)	Reactivating Galloway D&G Match Funding Letter.pdf
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Where match funding is still to be secured please set out details below

As part of the submission, matched funding is being provided by the lead applicant – Dumfries and Galloway Council. This is approximately 10% of the total value of bid as stated.

A breakdown of the matched funding per project is shown below.

Rocks and Wheels - £581,734
Stranraer Water Sports Hub - £518,070
The George - £687,000
Total £1,966,804

This can also be found in Annex 2 – Cost and Planning Workbook
Matched funding provided by DGC was confirmed at the Dumfries and Galloway Council meeting on Tuesday 28th June 2022 – See Annex 11 evidence of secured match funding along with the signed letter attached.

Land contribution

If you are intending to make a land contribution (via the use of existing owned land), provide further details below	The George is owned by DGC who will be delivering the project. For Rocks and Wheels and the Stranraer Water Sports Hub, a community asset transfer are currently being undertaken for a monetary value of £1. All documents relating to land ownership are attached.
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Upload letter from an independent valuer	Annex 13 - Land Ownership and Title Plan.pdf
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Confirm if your budget includes unrecoverable VAT costs and describe what these are, providing further details below

The George will be delivered by DGC and will not have any irrecoverable VAT, as the Council is a VAT registered organisation and would be able to recover any VAT on expenditure that it incurs in delivery of the project.

Rocks and Wheels

Rocks and Wheels will be delivered by the Dalbeattie Community Initiative who are not VAT registered. It has been assumed that all cost items are subject to VAT and will need to be paid. This has been added to the cost estimates (all items) to ensure they reflect how the project will be delivered.

Stranraer Water Sports Hub

The Stranraer Water Sports Hub will be delivered by the Stranraer Water Sports Association who are not VAT registered. It has been assumed that all cost items are subject to VAT and will be paid. A breakdown within the cost plan shows the net and gross (with VAT) cost estimates for the project. The gross estimates have been included within the funding ask of the project.

Describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget

For each of the three projects, detailed cost estimates have been identified to RIBA Stage 2. The following cost consultants have prepared each of the

projects within the application. Some of the costs are estimated by multiple cost consultants (DGC and other external) with references to the annexes below.

Rocks and Wheels – Annex 18

Stranraer Water Sports Hub – Annex 19

The George – Annex 20

Rocks & Wheels

McGowan Miller (construction consultants) and Tektonika Architects Ltd worked together to generate capital budget costings at feasibility stages based on the design proposal. The following cost plan has been put together to cover the entirety of this project.

The works cost was prepared in accordance with BCIS Elemental Measurement using measured quantities/m² rates and the applied costs derived from the QS teams in-house cost information and other available cost information sources to reflect the current market assuming that tenders will be sought on a competitive single stage basis and that the contract will be awarded on a standard form of building contract. The key components of the bid are:

- Construction £3,820,541 as shown in the cost plan
- Contingency/Risk of 15% - £573,082 as shown in the cost plan
- Design and professional fees - £544,992 (includes VAT)
- VAT (Construction, contingency/risk) - £878,723

Total £5,817,338 – See Annex 18

Stranraer Water Sports Hub

The works cost was prepared in accordance with BCIS Elemental Measurement using measured quantities/m² rates and the applied costs derived from the QS teams in-house cost information and other available cost information sources to reflect the current market assuming that tenders will be sought on a competitive single stage basis and that the contract will be awarded on a standard form of building contract. The indicative budget costs for the proposed project have been costed by the following members of project team:

- Hardies (Quantity Surveyors and Cost Consultants),
- Blue Sea Consulting LLP (Marina Consultants),
- John Renshaw Architects (Architects & Principal Designer) &
- IKM Consulting Ltd (Civil and Structural Engineers).

The budget costs have been updated to our best estimate of current costs in Q3 2022.

- Training Centre Construction Costs - £3,107,610
- Shore side and off-shore Works - £874,970
- Professional Fees, Design Work and Consents - £678,174
- Fixtures, Fittings and Equipment - £118,800
- Boats and Equipment - £400,542

Total £5,180,096 – see Annex 19

The George

The George will deliver a 1,037 sqm (Gross Internal Area) building with costs estimates being carried out by McGowan Miller covering the construction costs only. To ensure that the cost estimates were accurately produced, the following stakeholders worked closely together:

Cost Consultant – McGowan Miller and DGC internal Cost Consultants
Architecture – Collective Architecture
Structural Engineers – Wardell Armstrong
Service Engineers – JDC Consult

DGC internal costs consultants also worked closely with McGowan Miller to ensure cost estimates were realistic and were in line with the scope of the project. The internal consultants ensured that additional non-construction costs such as design and professional fees, furniture, fixtures and equipment were included as part of the submission.

The construction costs assume a traditional procurement route being followed

utilising the Standard Form of Building Contract for use in Scotland (SBCC Contract) with competitive tenders being invited from selected interested contractors, including local trades contractors following detailed designs, specifications and bills of quantities being prepared by an appointed design team. Contractor design element to be utilised for specialist works such as mechanical and electrical installations.

A breakdown of the cost estimates are provided below:

- Construction costs (£6,452,000)
- Fixtures, Fittings and Equipment (£120,750)
- Design and Professional Fees (£1,307,346)
- 10% contingency (£787,934)

Total £8,668,030 – See Annex 20

Provide information on margins and contingencies that have been allowed for and the rationale behind them

Detailed cost plans at RIBA Stage 2 have been developed to cover the current scope of each project. Each project has used a variety of sources to ensure that estimates are robust and are appropriate given the current level of project development which has been undertaken.

The George completed RIBA Stage 2 in June 2022 (Annex 20) and within the cost estimates provided by the cost consultants ensured that a risk factor of 25% was included to cover the construction element of the scheme. However, this did not cover non-construction cost elements with an additional 10% contingency included to ensure that unforeseen overspend can be accounted. Given the high level of inflation and the associated profile of cost an inflation rate of 8% has been included based on BCIS cost indices.

Rocks and Wheels had completed RIBA Stage 2 in early 2022, with RIBA Stage 3 underway (Annex 18). For the purposes of the Levelling-Up Fund updated cost estimates have been provided. This was deemed necessary to firstly ensure all cost items were included within the cost estimates and to ensure they were consistency with capital funding requirements. Given the nature of the scheme, the cost consultant suggested that a contingency/risk factor of 15% was appropriate for this type of project and also an inflation rate of 13.3% to account for uncertainty in prices increasing over time.

Stranraer Water Sports Hub completed RIBA Stage 2 has been completed with RIBA Stage 3 currently started with the expectation this will be completed alongside an updated Business Plan in December 2022 (Annex 19). Given the level of project development which has taken place since 2020 (RIBA stage 1), it was appropriate to apply a 10% risk/contingency factor. Similarly, to the other projects, using BCIS an inflation rate of 10% has been applied to ensure any cost inflation is factored into the cost estimates consistent with capital funding programmes such as LUF.

Describe the main financial risks and how they will be mitigated

Cost Overruns

For each of the projects the costs will be monitored closely and any projected overspends will be flagged to the boards immediately. Contingencies have been included in each project will be expended first.

Project cost plans have been updated to reflect current market conditions with contingency allowed for within works cost and overall project budget. Additional funding streams will be pursued in order to supplement the LUF funding and DGC match funding if required. Should projected costs increase above budget/available funding, scope reduction or value engineering may be required in order to ensure delivery of the project within budget and available funding.

The George

Any funding requests for the proposed activity hub will be taken to the DGC Economy and Resources Committee to ask members to allocate funds from the Economic Development Asset Class Programme to be fill any funding gaps and allow the project to complete.

Mitigation: value engineering will be carried out to prevent any cost overruns this could also include a reduction in scope to ensure the project is kept within budget. Any projected overspend above 10% of the original budget is required to be signed of by Economy and Resources committee and Finance, Procurement and Transformation committee.

Rocks and Wheels

The community anchor group will be required to source additional funding from other funding providers to cover any additional costs to the contract. DGC will cover any appropriate capital funding as a last resort. Evidence of funding applications will be sought as proof and all decisions will also need to be taken to Members for final agreement.

Mitigation: Obtain contractor buy in to the cost plan early and apply soft market testing. Lead Design Consultant are yet to be appointed which represents risk on costs but there has been updated QS input on current Outline Specification as of June 2022.

Stranraer Water Sports Hub

The community anchor group will be required to source additional funding from other funding providers to cover any additional costs to the contract. DGC will cover any appropriate capital funding as a last resort. Evidence of funding applications will be sought as proof and all decisions will also need to be taken to Members for final agreement.

Mitigation: match funding will continue to be sourced to cover any additional costs that occur. Again, value engineering will be carried out to minimise the chance of cost overruns.

Upload risk register

Annex 14 - Risk Registers.xlsx

If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant, please advise below

Details of delivery partner management is set out in full in the appended delivery plan (Appendix 12). Grant offers will set clear procurement requirements in line with subsidy controls and public procurement rules. These will cover requirements and controls on any onward disbursement of the grant. Details of partner organisations for the bid projects are set out below:

The George – N/A

Stranraer Water Sports Hub

The Hub will be managed and run by Stranraer Water Sports Association as an extension to the services that they currently provide in the local community.

Stranraer Water Sports Association

The Boat House, Agnew Park, Stranraer Wigtownshire

Company Number: SC049268

They will receive 100% of the grant attributed for the Stranraer Water Sports Hub and will be in charge of delivering the project.

Rocks & Wheels

Dalbeattie Community Initiative

71 High Street, DG5 4HA, Dalbeattie, Dumfries and Galloway

Company Number: SC238333

They will receive 100% of the grant attributed for Rocks and Wheels and will in charge of delivering the project. The redevelopment project will be managed by DCI and overseen by the steering group and board of directors.

What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project?

The partner governance structure is shown in the organogram in figure 14 of Annex 21. A DGC officer will remain as project lead for either Rocks and Wheels or Stranraer Water Sports Hub.

The Council adheres to the PRINCE 2 principles of Project Management. The appointed Senior Responsible Officer is DGC's Head of Economy and Development – who is the head of service for Economic Development, Planning, Housing, Estates, and the Programme Management Office. Lead managers from these services have supported the D&G LUF bid development, and are to provide ongoing support to the Project Board, undertaking shared duties in connection with the Senior User and Senior Supplier roles.

The development of the D&G LUF Bid has been led by the Project Development Team within the Economic Development service. The Project Development Team is DGC's lead team responsible for developing economic development capital projects to Full Business Case (FBC) and has experience in developing significant capital projects to FBC funded by the Scottish Government. The team is also developing projects to FBC as part of the Borderlands Inclusive (city region) Growth Deal.

Upon LUF bid approval, the project management of the Rocks and Wheels Dalbeattie project will be delivered by the Dalbeattie Community Initiative. The project management of Stranraer Water Sports Hub will be delivered by Stranraer Water Sports Association. Each project will have a dedicated officer from the Project Development Team who will monitor the development progress and feedback to the programme board.

Once the LUF bid is approved, the Project Management of the George Hotel will be transferred from the Project Development Team to a project manager within DGC's Programme Management Office (PMO). Progress will feedback to the Programme Board.

DGC will be responsible for disbursement of the LUF funding to the Project Delivery Partners in accordance with their fulfilment of obligations and project delivery milestones as set out in contracts/ grant agreements that will be put in place upon LUF funding approval. The Code of Conduct for Recipients of Government General Grants will be applicable. DGC will also require Standard Securities to be put in place in connection with the properties that are to be redeveloped by Delivery Partners using LUF funding.

Monitoring and evaluation criteria and timetables will be set out in these contracts with Delivery Partners and strict financial monitoring will be carried out to ensure projects are managed in accordance with the contract conditions set out by Levelling Up Fund. Officers from the Project Development Team have a number of years' experience in this approach to managing large scale capital investment projects via Project Delivery partners.

Summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted

As a Scottish local authority, DGC has in place reporting and signing off procedures to ensure that major projects are developed, managed and delivered to a high standard.

The procurement of works will be in line with the Dumfries and Galloway Procurement Standing Orders which is a clear set of rules and procedures for the procurement of goods, works and services for DGC. The rules and procedures help ensure that the Council complies with its legal obligations and is fair, transparent and accountable in its dealings with contractors and suppliers. These Standing Orders are also intended to ensure that the Council obtains best value for money and that it is taking good care of the public pound.

The procurement strategy for the DGC LUF will achieve the following:

- Contract Details

- Executive Summary
- User Intelligence
- Contract objective and Service strategy
- Agreed Budget
- Current situation, contract status and spend analysis
- Exit Strategy
- Key Lessons Learned
- Commodity Analysis
- Supply Market analysis
- Policies and Regulations
- ICT Requirements
- Payment arrangements
- Governance
- Key Risks
- Best Value
- Alternative Delivery Methods
- Collaboration
- Options appraisal
- Procurement Route and process
- Proposed Contract Benefits (social, economic and environmental)
- Equality
- Fair Work
- Community Benefits
- Forecast savings
- Non cashable financial benefits
- Contract Monitoring Assessment
- KPIs

Council led elements of the bid will be delivered via call-off from an appropriate framework agreement and community led elements of the bid will be delivered via traditional tendering process.

Tendering opportunities will be advertised as widely as possible and award of contracts will only be made on completion of a thorough tender evaluation process comprising a commercial evaluation and quality/technical evaluation to determine the most economically advantageous tender and ensure all requirements of the contract are met.

Elements of the bid will be delivered by third party delivery partners; once appointed, a grant offer will be signed by both parties to ensure that third party delivery partners will comply with the outcomes and conditions laid out within the terms of the grant. This will include DGC requirements for management of procurement activities and management of any risk associated with delivery of the projects.

Who will lead on the procurement and contractor management on this bid and explain what expertise and skills do they have in managing procurements and contracts of this nature?

Procurement activities will only be undertaken by suitably qualified officers with relevant procurement expertise. Officers within the Project Management Office will be supported by the in-house Procurement Team and Legal Services.

The PMO has extensive experience in procuring and delivering contracts associated with major capital projects. A Senior Project Manager will be appointed to manage the delivery of the project including all procurement activities.

Project delivery partners will appoint suitably experience and qualified project managers to deliver the community led projects. Each project manager will be responsible for ensuring the procurement activities are undertaken in accordance with the terms of the grant and DGC's requirements.

Are you intending to outsource or sub-contract any other work on this bid to third parties?

Key elements of the bid will be delivered by third parties. These third parties will be assessed for suitability using the Council's Due Diligence Protocol.

Once appointed, a grant offer letter signed by both parties will contractually ensure compliance by them with outcomes and conditions (including fair working practices) laid out within the terms of the grant. It will also lay out how they should manage their own procurement practice in line with Council requirements and manage any risk associated with delivery. Regular meetings with the Council's key delivery partners will further ensure that they are delivering the key aspects of the bid and issues can be highlighted and resolved appropriately.

DGC have very clear processes in place to set clear performance measures and managing these through effective contract management practices, thereby ensuring quality. The procurement processes used will incorporate best practice to identify quality outcomes and relevant key performance indicators, that can be confirmed during the tender process and confirmed during mobilisation. Effective contract management processes and practices will see regular contract management meetings take place where key performance measures and quality assurance reviewed, before agreeing mitigation activity where needed.

Contract Terms and Conditions ensure legally robust arrangements with clarity on how to remediate issues in performance, these terms provide clear and timely processes to address issues in performance while also building in the ability to end contracts quickly, and reprocure where this is required.

Capability or capacity will be monitored through our application of sound project management arrangements and issues addressed, this will include the use of resources from within the partnership or through the procurement of necessary resources at pace through framework agreements or existing contracts.

How will you engage with key suppliers to effectively manage their contracts so that they deliver your desired outcomes

DGC has an established and tested set of protocols to engage with contractors during major construction delivery projects. These have been used to deliver major capital regeneration projects across Dumfries and Galloway. They include the following elements:

Pre-contract checks:

Prior to the award of any contract, the contract team undertake due diligence on potential parties to check financial and economic standing including credit checks and Companies House. As part of the procurement exercise, financials are requested from all bidding companies and reviewed. Given the high demand for contractors once LUF allocations are announced, DGC will also add questions to test availability of resources, including key trades and skills required to complete design and construction.

Contract type:

DGC's preferred form of contract is a Pre-Construction Services Agreement. One of the reasons for this is the two-stage approach which reduces risk to both parties. During Stage 1, DGC works with the potential contractor on the building design and construction approach to be taken collaboratively. The teams jointly identify on-site challenges, create design clarity by developing a full set of detailed drawings and agreeing the timings for the construction programme. This in turn creates cost certainty ahead of Stage 2, when the construction contract is awarded.

Risk:

Risk management will form part of the project management and procurement activity, with risks being identified through our standard processes and

captured in the relevant risk register. DGC may seek to amend some terms in the standard JCT PCSA given the increased cost risk arising from inflationary pressures.

Ongoing monitoring:

DGC has an established Prince II regime using a series of staged gates to monitor ongoing construction projects. The elements covered include timeliness of delivery, quality of delivery, ongoing costs, environmental impact and health and safety record. Payments will be likely be tied to successful outcomes during Stage 1 and construction milestones during Stage 2.

Independent Project Monitor:

DGC may appoint an independent project monitor to assess stages of construction on site and enable contract payments.

Set out how you plan to deliver the bid

A full delivery plan can be seen in Annex 12.

George Hotel

Key milestones

- Initiation: including mobilisation and full project team procurement Jul 22 – Jan 23
- Technical: Development of planning application & Technical Designs (RIBA 4) Jan – Jul 23
- Implementation: Construction Period (RIBA 5) Jul 23 – March 25
- Evaluation: monitoring and evaluation June 2025.

Key Dependencies and Interfaces

- Securing LUF funding to enable full mobilisation. The scheme is non-viable without LUF intervention and all early works have already been completed – so, in effect, no further work can start without LUF investment.
- Planning. Receiving the correct planning and listed building consent is essential.
- Landowner interfaces -all landownership is in the public sector and all core landowners are signed up to the approach.
- Procurement of adequate design team to develop technical designs and planning application up to a sufficient standard.
- Key engagement with local residents and businesses in Church Street, Stranraer to ensure disruption is kept to a minimum managing the necessary closure of a key street in the town.

Powers and Consents

See Annex 21, Table 6.3.1 i) Powers and Consents for the George Hotel

- Planning permission needed for building alterations (approximately Aug 23). Conversations with planning undergoing at early stage to ensure all potential issues are designed out at RIBA stages 3-4.
- Listed building consent, for alterations to façade and listed items (approximately Oct 22). Early engagement with building consent officers.
- Building Warrant needed for refurbishment of existing building and erection of new outside structures (approximately Jan 23). Early engagement undertaken with relevant teams.
- Road closure permit needed to close Church St for duration of works to protect workforce, traffic and pedestrians (approximately Oct 22). Early application and advertisement. Ensure residents and businesses are communicated.

Stranraer Water Sports Hub

Key Milestones

- Initiation: design team already in place, full site mobilisation to be undertaken. Construction Team to be procured. Jun 22 - Jun 23.
- Technical: planning application and Technical Design (RIBA stage 4) to be developed. Land transferred to SWSA via Community Asset Transfer. Sept 22 – Summer 23.
- Implementation: full construction and client fit-out developed. Oct 23 – March 25.

- Evaluation: monitoring and evaluation June 2025.
- Key Dependencies and Interfaces
- Securing LUF funding to enable full mobilisation. The scheme is non-viable without LUF intervention and all early works have already been completed – so, in effect, no further work can start without LUF investment.
 - Land Ownership. All land to be transferred to SWSA via Community Asset Transfer. Communication with DGC officers involved to expediate the process to committee approval is ongoing.
 - Licences. In order to undertake the construction works the Stranraer Water Sports Hub must gain a Marine Licence.
 - Procurement of an adequate design team to deliver planning and technical design. Project will be managed by the Stranraer Water Sports Hub.

Powers and Consents

See Annex 21, Table 6.3.1 ii) Powers and Consents for the Stranraer Water Sports Hub

- Planning application needs to be granted for the design of the SWSA Water Sports Hub (approximately Nov 22). Working closely with DGC planning to ensure application will be granted.
- Building Warrant needed for construction (approximately Dec 22). Preparing all documentation as the designs progress to ensure warrant is granted.
- Scottish Environment Protection Agency (SEPA) agreement needed as part of planning application. Consultation occurring through planning application (approximately Nov 23). Early engagement and advice with SEPA before planning.
- Community Asset Transfer needed to transfer the land to SWSA subject to Community Asset Transfer (approximately March 23). Early Engagement and advertisement will be undertaken.
- Need consent to undertake works on Crown Estate Land (approximately March 23). Early engagement undertaken.
- Marine licence needed for construction (Approximately Aug 22). Preparing all documentation as the designs progress to ensure licence is granted.

Rocks and Wheels Centre

Key Milestones

- Initiation: Procurement of the design team has already commenced, full site mobilisation to be undertaken. Procurement of construction team to be undertaken Aug 2022.
- Technical: planning application and technical designs to RIBA stage 4. Aug 22 – Feb 23
- Implementation: full construction and client fit-out developed. Feb 23 – April 24.
- Evaluation: monitoring and evaluation June 2025.

Key Dependencies and Interfaces

- Securing LUF funding to enable full mobilisation. The scheme is non-viable without LUF intervention and all early works have already been completed – so, in effect, no further work can start without LUF investment.
- Land Ownership. Land that is owned by the council will be transferred to the Dalbeattie Community Initiative via community asset transfer. Communication with DGC officers involved to expediate the process to committee approval is ongoing.
- Procurement of an adequate design team to deliver planning and technical design. Project will be managed by the Dalbeattie Community Initiative.

A full delivery plan can be seen in Annex 12

George Hotel

Key milestones

- Initiation: including mobilisation and full project team procurement Jul 22 – Jan 23
- Technical: Development of planning application & Technical Designs (RIBA 4) Jan – Jul 23
- Implementation: Construction Period (RIBA 5) Jul 23 – March 25
- Evaluation: monitoring and evaluation June 2025.

Key Dependencies and Interfaces

- Securing LUF funding to enable full mobilisation. The scheme is non-viable without LUF intervention and all early works have already been completed – so, in effect, no further work can start without LUF investment.

- Planning. Receiving the correct planning and listed building consent is essential.
- Landowner interfaces -all landownership is in the public sector and all core landowners are signed up to the approach.
- Procurement of adequate design team to develop technical designs and planning application up to a sufficient standard.
- Key engagement with local residents and businesses in Church Street, Stranraer to ensure disruption is kept to a minimum managing the necessary closure of a key street in the town.

Powers and Consents

See Annex 21, Table 6.3.1 i) Powers and Consents for the George Hotel

- Planning permission needed for building alterations (approximately Aug 23). Conversations with planning undergoing at early stage to ensure all potential issues are designed out at RIBA stages 3-4.
- Listed building consent, for alterations to façade and listed items (approximately Oct 22). Early engagement with building consent officers.
- Building Warrant needed for refurbishment of existing building and erection of new outside structures (approximately Jan 23). Early engagement undertaken with relevant teams.
- Road closure permit needed to close Church St for duration of works to protect workforce, traffic and pedestrians (approximately Oct 22). Early application and advertisement. Ensure residents and businesses are communicated.

Stranraer Water Sports Hub

Key Milestones

- Initiation: design team already in place, full site mobilisation to be undertaken. Construction Team to be procured. Jun 22 - Jun 23.
- Technical: planning application and Technical Design (RIBA stage 4) to be developed. Land transferred to SWSA via Community Asset Transfer. Sept 22 – Summer 23.
- Implementation: full construction and client fit-out developed. Oct 23 – March 25.
- Evaluation: monitoring and evaluation June 2025.

Key Dependencies and Interfaces

- Securing LUF funding to enable full mobilisation. The scheme is non-viable without LUF intervention and all early works have already been completed – so, in effect, no further work can start without LUF investment.
- Land Ownership. All land to be transferred to SWSA via Community Asset Transfer. Communication with DGC officers involved to expediate the process to committee approval is ongoing.
- Licences. In order to undertake the construction works the Stranraer Water Sports Hub must gain a Marine Licence.
- Procurement of an adequate design team to deliver planning and technical design. Project will be managed by the Stranraer Water Sports Hub.

Powers and Consents

See Annex 21, Table 6.3.1 ii) Powers and Consents for the Stranraer Water Sports Hub

- Planning application needs to be granted for the design of the SWSA Water Sports Hub (approximately Nov 22). Working closely with DGC planning to ensure application will be granted.
- Building Warrant needed for construction (approximately Dec 22). Preparing all documentation as the designs progress to ensure warrant is granted.
- Scottish Environment Protection Agency (SEPA) agreement needed as part of planning application. Consultation occurring through planning application (approximately Nov 23). Early engagement and advice with SEPA before planning.
- Community Asset Transfer needed to transfer the land to SWSA subject to Community Asset Transfer (approximately March 23). Early Engagement and advertisement will be undertaken.
- Need consent to undertake works on Crown Estate Land (approximately March 23). Early engagement undertaken.
- Marine licence needed for construction (Approximately Aug 22). Preparing all documentation as the designs progress to ensure licence is granted.

Rocks and Wheels Centre

Key Milestones

- Initiation: Procurement of the design team has already commenced, full site mobilisation to be undertaken. Procurement of construction team to be undertaken Aug 2022.
- Technical: planning application and technical designs to RIBA stage 4. Aug

22 – Feb 23

- Implementation: full construction and client fit-out developed. Feb 23 – April 24.
- Evaluation: monitoring and evaluation June 2025.

Key Dependencies and Interfaces

- Securing LUF funding to enable full mobilisation. The scheme is non-viable without LUF intervention and all early works have already been completed – so, in effect, no further work can start without LUF investment.
- Land Ownership. Land that is owned by the council will be transferred to the Dalbeattie Community Initiative via community asset transfer. Communication with DGC officers involved to expediate the process to committee approval is ongoing.
- Procurement of an adequate design team to deliver planning and technical design. Project will be managed by the Dalbeattie Community Initiative.

Powers and Consents

In Annex 21, please see Table 6.3.1 iii) Powers and Consents for the Rocks and Wheels Centre.

The bullets below summarise the powers and consents needed for the Rocks and Wheels Centre;

- Planning application needs to be granted for the design of the Rocks and Wheels Centre (approximately Dec 22). Working closely with DGC planning to ensure application will be granted.
- Building Warrant needed for construction (approximately Dec 22). Preparing all documentation as the designs progress to ensure warrant is granted.
- Scottish Environment Protection Agency (SEPA) agreement needed as part of planning application. Consultation occurring through planning application (approximately Nov 23). Early engagement and advice with SEPA before planning.
- Community Asset Transfer needed to transfer the land to subject Dalbeattie Community Initiative to Community Asset Transfer (approximately March 23). Early Engagement and advertisement will be undertaken.
- Need consent to undertake works on Crown Estate Land (approximately March 23). Early engagement undertaken.

Skills and experience

Dumfries and Galloway council has a strong track record in successfully delivering large scale regeneration projects. A series of case studies have been included in the delivery plan in Annex 12.

The Stranraer Water Sports Association is delivering the Stranraer Water Sports Hub. The board of Stranraer Water Sports Association has a wide range of project management expertise and experience of developing and delivering large scale capital projects. SWSA will also appoint a suitably experienced and qualified project manager to deliver the hub project. The project manager will be responsible for ensuring the project is delivered in accordance with the terms of the grant and DGC's requirements.

Dalbeattie Community Initiative will deliver the Rocks and Wheels centre in Dalbeattie. Dalbeattie Community Initiative have 25 years' experience working in Dalbeattie. They have helped to delivery similar projects including the Birchvale Theatre Development near the Dalbeattie Primary School Building.

Project Governance

The Dumfries and Galloway Constituency LUF Programme will be overseen by a Programme Board supported by key officers from DGC services. The board is headed up by the Senior Responsible Officer who will have authority of finance and delivery decisions for the George Hotel. The programme board will receive quarterly delivery updates including risk management information and where needed risks can be escalated to the relevant body. A risk management summary can be seen the Delivery Management Plan.

There will be a monitoring officer for both the Stranraer Water Sports Hub and Rocks and Wheels Centre who will report back to the Programme Board. The partner organisations for both of these projects ultimately have authority to make financial and delivery decisions projects within the contract arrangements with DGC and LUF. They can procure their own design teams and contractors. The funds will be disbursed at monthly intervals retrospectively on receipt of the monthly QS assessment.

Procurement Strategies

Procurement for the George Hotel will be fully managed by DGC Officers and will be in line with DGC Community Standing Orders to ensure value for money is achieved

Project delivery partners will appoint suitably experience and qualified project managers to deliver the community led projects. Each project manager will be responsible for ensuring the procurement activities are undertaken in accordance with the terms of the grant and DGC's requirements.

External Roles Procured for each Project

In Annex 21, section 6.3.1 of Table IV shows which roles have and have not been procured.

The George Hotel has not yet commenced procurement of the design team, construction team or external evaluator team.

The Stranraer Water Sports Hub has procured the design team, but has not commenced procurement on the construction team or found an external evaluator.

The Rocks and Wheels project has procured a design team but not a construction team or an external evaluator

Communication and Stakeholder Management

A full summary of future stakeholder engagement is included in the delivery plan including regular progress updates to wider stakeholders via workshops, email updates and social media posts. A series of letter drops to residents within proximity to the development sites will outline project actions and benefits.

Monitoring Progress of Project

A full monitoring and evaluation plan included in the delivery plan includes an overview of the indicators that will be monitored by the project leads.

Evaluations will be undertaken in the Summer 2025 for all three projects. The benefits realisation plan is included and sets out the expected benefits of the scheme and how they will be tracked and realised.

Full Benefits Realisation Plan and overview of the Monitoring & Evaluation plan is shown in Annex 12 the Delivery and Management Plan.

Demonstrate that some bid activity can be delivered in 2022-23

Each project will provide some level of expenditure in 2022/23 in line with the LUF guidance. A breakdown of the total amount of the project spent in the first year is shown below:

The George - £894,775 (10%)

Stranraer Water Sports Hub – £310,490 (6%)

Dalbeattie Rocks & Wheels - £1,065,123 (18%)

Overall - £2,225,338 (11%)

The George

It is projected as per annex 2 CP1 costing estimate for the George that £849,775 will be spent in year 2022/23. This will comprise of Design fees only and will be split as follows (and in table BP1):

- RCGF Grant - £200,000
- DGC - £152,740
- LUF - £497,035

Total spend in 2022/23 is £849,775.

Stranraer Water Sports Hub

It is projected as per annex 2 CP2 costing estimate for Stranraer Water Sports Hub that £310,490 will be spent in year 2022/23. This will comprise of design fees, survey work and consents and will be split as follows (and in Table BP2)

- DGC - £92,100
- LUF - £218,390

Total spend in 2022-23 is £310,490.

Dalbeattie Rocks and Wheels

It is projected as per annex 2 CP3 Costing Estimate for Rocks and Wheels that £1,065,123 will be spent in year 2022-23. This will comprise of Construction

costs and prelims, some design fees, VAT and a percentage of contingencies and will be split as follows (and in table B P3)

- DGC - £106,512

- LUF - £958,611

Total spend in 2022-23 is £1,065,123 .

Matched funding provided by DGC was confirmed at the Dumfries and Galloway Council meeting on Tuesday 28th June 2022 – See Annex 11

Risk Management: Set out your detailed risk assessment

Dumfries and Galloway Council has developed a Risk Management Framework (see figure 15, Annex 21) that allows the core management team (CMT) and members to be fully aware of risks and mitigation progress. This is carried out by; internal audits of risk procedures feeding into annual governance statement and risk registers updated monthly and given to the project board.

A full risk register for each project is provided in Annex 14

The top five key risks across the projects are outlined in the bullets below or in table 6.3.3. Summary Risk Register in Annex 21.

1. Actual costs are higher than anticipated

Projected Cost Analysis has been undertaken by specialists and appropriate contingencies have been allowed for including inflation uncertainty. Further due diligence will be undertaken on confirmation of the success of our bid and final assessments will be undertaken in advance of formal procurement. If costs rise, we will work within design teams and partners to adapt project proposals to remain within the agreed budget.

2. Difficulties in procuring contractors

DGC have strong track records in procuring contractors with access to a range of its own and regional frameworks for procurement. The processes and best practice in procurement are tried and tested and an allowance has been made in project timetables. Support mechanisms will be put in place to ensure community partner organisations can utilise DGC expertise so that they too do not suffer delays with procurement.

3. Issues with Planning & Listed Building consents

Both the George and the Rocks and Wheels sites are Listed Buildings. Both are vacant and suffering from significant decay. Our proposals for these sites acknowledge the rich build heritage of our region, while securing their conservation, providing new purposes for the future. Officers and councillors have been involved throughout the project development process and further discussions with relevant stakeholders will continue as projects are refined.

4. Difficulties with community partner groups

DGC has strong track records of partnering with community groups to deliver major capital projects. We have successfully delivered projects via Regeneration Capital Grant Fund bids and as such have a framework of relevant contracts and partnership agreements which clearly define, roles, and mediation procedures for all parties involved. Our experienced officer team forge strong supportive relationships with partner groups to ensure effective communication and early identification and resolution of issues.

5. Lack of demand

Our projects have been designed in response to identified community need and demand. Market testing has shown that these new initiatives target identified gaps in the market for the provision of cultural activities in our region. Coupled with case studies of other similar successful initiatives across the country means that we are confident that strong demand exists for these new end products making them sustainable long term.

6. Cost overruns

For each of the projects the costs will be monitored closely and any projected

Provide details of your core project team and provide evidence of their track record and experience of delivering schemes of this nature

The DGC constituency LUF programme will be overseen by a project board led by the Senior Responsible Owner who is DGC's head of service for delivering Housing and Economic Development. Their team has a strong track record of delivering capital projects including the award winning Dalbeattie shared Learning Campus. They are supported by the Project Development Team (PDT) who have a track record developing full business cases for a number of capital projects as part of the Borderlands Inclusive Growth Deal. The PDT will monitor the progress of two projects being directly delivered by partners;

- The Stranraer Water Sports Hub will be delivered by the Stranraer Water Sports Association (SWSA). The board of Stranraer Water Sports Association has a wide range of project management expertise and experience of developing and delivering large scale capital projects. SWSA will also appoint a suitably experienced and qualified project manager to deliver the hub project. The project manager will be responsible for ensuring the project is delivered in accordance with the terms of the grant and DGC's requirements.

- The Rocks and Wheels Centre will be delivered by the Dalbeattie Community Initiative (DCI) who have 25 years experience delivering projects in the town including the refurbishment of the Kippford Pontoon and supporting the Birchvale Theatre project. A member of the DCI is a qualified architect and has supported initial designs of the Rocks and Wheels Centre.

The George will be directly delivered by DGC's Programme Management Office who oversee the delivery of all of the Councils capital delivery projects.

Full Roles and Responsibilities on the Project

Steve Rogers

- Senior Responsible Officer, BSc (Hons) Town and Regional Planning Member of the Royal Town Planning Institute (MRTPI) since 1987, Professional Development Award: Strategic Leadership, SCQF Level 11 pass, Chartered Management Institute 2014
- Over 30 years' experience of leading and managing strategic capital projects in area regeneration, town centre revitalisation, economic development and inward investment within a local authority setting.

Stuart McMillan

- Programme Management of LUF projects and direct project management responsibility, SEIM, Member of the Royal Town Planning Institute (MRTPI) since 1989.
- Over 30 years' experience in Planning, Development and Regeneration including 12 years as Regeneration Manager with Renfrewshire Council, leading the delivery of capital investment programmes and strategies such as Paisley Vision and Town centre strategy and cultural assets investment programme.

Paul Garrett

- Project Financial Control
- 30 years DGC Council Head of Finance and Procurement, member of CIPFA

Melissa McGarey

- Team Leader Project Development Team
- 30 years' experience in developing capital projects across Dumfries and Galloway in the public and voluntary sectors.
- Qualified to post graduate level in Local Economic Development and an accredited PRINCE 2 Project Manager (Practitioner).
- Extensive experience of managing the development of projects, programmes, including £66m neighbourhood renewal housing led regeneration programme.

Economic Development Officers

- Bid Application and Project Development to delivery stage
- Varying years of experience on working on public sector strategic and major projects.
- Experience in working with third sector and community organisations to develop capital projects.
- Skills and knowledge in Project management, business case development, construction, and engineering, delivering projects with economic outputs.

Mohammed Agoun

- Project delivery of The George via Project Management Office.
- 7 years project management of construction projects within the public sector.

Senior Project manager

- For day-to-day PM of The George
- To be appointed July 2022

Anchor Group Consultant PM

- Responsible for the day-to-day Construction project management on behalf of the group.
- Lease with contractor and design team including QS to manage the project time, costs and delivery.
- Each Group will procure a sufficiently competent, qualified, project manager to oversee the project with past experience of managing project successfully of similar scale and costs.

Set out what governance procedures will be put in place to manage the grant and project

The Project Management and Governance Structure applied by Dumfries and Galloway Council adheres to the principles of Prince 2 project management methodology. As a Scottish local authority, DGC has in place reporting and signing off procedures to ensure that major projects are developed, managed and delivered to a high standard. Full details of our robust and proven governance structure are set out in our Delivery Plan (Annex 12).

Our procedures will ensure:

- Transparent decision making
- Accountable decision making
- Value for money
- Robust monitoring and evaluation

The delivery of Dumfries and Galloway Constituency LUF programme will be managed by DGC, with individual projects delivered by DGC and by external Bid Partners.

The Programme will be overseen by a Project Board comprising of lead officers from across the appropriate client areas across the council. This will oversee all successful bids including the Transport and Joint cross border bid (Three Rivers).

The Project Board is led by a Senior Responsible Owner who acts as a decision maker on all aspects of the project as delegated by DGC Economy & Resources (E&R) Committee, comprising Elected Members from Dumfries and Galloway Council. The E&R Committee is provided with quarterly reports by the SRO on spend, risks and progress.

Procurement of the George Hotel will require the approval of Legal and Finance Managers prior to contract award as per Procurement Strategy, thus ensuring no singular sign off as per DGC financial codes.

All the projects will be delivered in line with the Financial regulations and codes set out by DGC council including internal control and authorisation, internal audit and projects and activities funding all of which can be found at Financial regulations and codes - Dumfries and Galloway Council (dumgal.gov.uk)

External bid partners have full authority to make decisions on their projects within the contract arrangements with DGC and LUF. They can procure their own design teams and contractors. The funds will be disbursed at monthly intervals retrospectively on receipt of the monthly QS assessment. The

organogram shown in figure 16 of Annex 21 outlines the governance procedures of the programme board.

Our procedures will ensure the Programme delivery will adhere to DGC's protocols and policies including:

- Conflicts of interest: The programme will apply DGC's register of interests for Council members and officers to remove any risk of conflicts of interest arising.
 - Code of conduct for ethical and professional standards: The programme will use DGC's code to ensure honesty and probity in all decisions;
 - Financial controls: Using the Council's Anti-Fraud, Bribery and Corruption Policy and Strategy to minimize any risk of this nature and ensure it is dealt with appropriately. Financial controls and audit for our programme will be the responsibility of DGC's Head of Finance and Procurement, who has programme compliance responsibility on our Programme Board. A financial audit will be undertaken if required, all financial regulations and codes can be seen on the council website. Financial regulations and codes - Dumfries and Galloway Council (dumgal.gov.uk)
 - Cyber security and data management: DGC adheres to industry best practice and compliance arrangements including from the Public Service Network. Data is stored and protected with copies on site and a disaster recovery plan includes Cloud backups. All staff who are involved in processing Data receive the appropriate training in Data Protection Legislation and procedures relating thereto and they keep appropriate records of such training received by staff and contents of all courses.
 - Code of Conduct for Recipients of General Government Grants: DGC complies with this code. This helps grant recipients to understand the standards and behaviours that are expected of them when working with the government, and how they can help the government deliver value for money for taxpayers.
-

If applicable, explain how you will cover the operational costs for the day-to-day management of the new asset / facility once it is complete to ensure project benefits are realised

For each project an operational cashflow has been calculated for each project.

Stranraer Water Sports Hub:

The business will be operated on a not-for-profit basis, as a community enterprise, and it should be the ambition of the association to develop surpluses to re-invest in their wider aims and objectives.

Staffing costs have been estimated on the types of roles required with a breakdown by salary provided in the cashflow. Over the 5-year period, staffing costs are expected to be 62% of the total operational costs. In total 25 different cost items have been identified with other major cost items such as advertising and marketing, health and safety/clothing included.

By the end of the five (2028/29) it is expected that the SWSA will break even and have a small surplus of £6.3k. Further details are included within the operating cost plan. Further calculations and information are provided in Annex 19.

The George:

BE Group were commissioned to forecast the expected operating profit/loss of the site when it is operational. Broad sector operating costs have been estimated. These costs include inflation growth of current levels of costs likely to be incurred within the operation of the facility. These include management, property costs, maintenance and marketing.

The costs assume a relatively low level for maintenance costs, given that the building would be largely redeveloped as part of this project. This is assumed to be at £8/sqm. Marketing and business support costs would allow for the promotion of the facility to the artistic and climbing communities as widely as possible at £30k per year. Other operational costs assume the following:

Staffing:

- Bouldering Centre – Two part time staff collectively working 80 hours/week.
- Bunkhouse Accommodation – It is assumed that a full time manager would be needed to manage this element although they would also be able to

support other less time intensive elements, such as the Gallery and Studio space as well.

- Receptionist – It is assumed the facility would require a full time receptionist to greet people, answer the phones, tend to the retail element and provide general administrative support to all project elements.

- Property Costs – Estimates of £40-70/sqm (upper level applied) are for operational costs including utilities, business rates and cleaning.

For the George the proposed scheme would generate net revenue of £82,000 in 2023, rising to £217,000 by 2027.

Further calculations and information are provided in Annex 20

Rocks and Wheels:

A five-year operating plan has been put together to show the income and expenditure for the Rocks and Wheels site. The project will create approximately 23 different employment positions with a breakdown of the shown in Appendix E of the Business Plan produced in January 2022 covering salaries, National Insurance and employers pensions. This is expected to account for approximately 60% of the operational costs.

In total 24 different cost items have been included within the cashflow with other operational costs include Staff training, catering supplies, staff travel, insurance, utilities, shop stock purchases, depreciation and accounting fees. Over the 5-year period, it is expected that there will be a profit of approximately £490k.

Further calculations and information are provided in Annex 18.

Upload further information (optional)

Operational cost info.zip

Set out proportionate plans for monitoring and evaluation

A robust Monitoring and Evaluation (M&E) Plan has been developed to ensure successful delivery of the project.

Theory of Change

The Theory of Change can be seen in Figure 17 of Annex 21.

The objectives of the DGC [Reactivating Galloway] Levelling Up Fund project are to:

- Bring redundant buildings back into economic use
- Diversify the offer of key towns with leisure and recreation uses to encourage footfall, spend and enhanced health and wellbeing
- Stimulate the number of visitors through an enhanced active tourism offer
- Increase in employment opportunities
- Improve perceptions and develop pride in place

These objectives will be achieved by investing in a package of projects aimed at stimulating the visitor economy through active tourism and regenerating key towns through tackling vacant and underused sites and premises in prominent locations:

- Delivering a Water Sports Hub to support regeneration of Stranraer and its marina by increasing accessibility and usage of its coast
- Redevelopment of The George in Stranraer as an anchor attraction and multi-purpose hub offering culture, recreation and accommodation
- Development of a redundant building in Dalbeattie as an activity centre to support growth in the visitor economy and meet local community needs through recreation and training provision

M&E Plan Objectives

Our M&E Plan will contribute to successful delivery of the LUF investment and to maximise its lasting impacts by:

- Generating timely and insightful data enabling us to assess progress and establish whether project activities are delivered on time and on budget;
- Assess and provide reassurance that LUF bid objectives were met;
- Capture the economic and social impacts of the investments and the value for money they deliver;
- Understand any under or over-performance against our targets, identifying where we need to refine our management and maintenance of the LUF investments

Key Research Questions

Our approach to M&E is built around these research questions:

- Were the investments based on a sound rationale?
- Have they proved consistent with policy priorities?
- Did the projects meet their milestones? If not, why?
- Did project governance, management and delivery structures and processes work effectively? How could they be improved?
- What quantifiable outcomes are being achieved? To what extent are these attributable to the projects?
- What was the total cost of the completed projects? Are the economic and social benefits justifying these costs?

Approach to M&E

Monitoring

DGC will be responsible for monitoring project performance and this will be led by the SRO and the Programme Manager. The process will involve:

- Assembling baseline data
- Tracking progress of project delivery against milestones, working with appointed contractors
- Regularly monitoring of expenditure and output indicators
- Collecting and analysing secondary data to track progress on outcomes and impacts.

All information will be stored in a single database enabling progress to be reported regularly and consistently to the Programme Board, Executive Committee and UK Government as required.

The Economic Development Project Development team manage a programme of capital projects across the region. Most of these are community led projects facilitated via a legal grant agreement including clauses covering Monitoring & Evaluation and requiring regular monitoring/progress reports to ensure appropriate use of public funding and benefit realisation.

Evaluation

The Council will commission an independent evaluation to assess the impact and effectiveness of the project. The timing of this evaluation will need to be agreed once the M&E requirements of LUF are clearer. This will have an important bearing on the scope of the evaluation as it will take some time for changes in a number of outcomes to be realised. We expect that this will be a single stage ex-post evaluation. The tasks will be determined by the independent evaluators, which will likely include the following:

- Review of policy documents and supporting evidence to assess whether the intervention was based on a sound rationale.
- Analysis of all monitoring data to assess over or under performance against targets.
- Consultations with the delivery team members and other stakeholders

M&E Plan Schedule

The schedule set out in the Cost Workbook summarises each stage of the M&E Plan, provides an overview of the indicators which may be captured by the Project Team or external evaluators, relevant data sources and methods of data collection, and the indicative timing and frequency of data collection. See Annex 21, Table 6.4.1 i) Monitoring and Evaluation. Bullet points added below.

Input/expenditure

- Indicator - £ spent directly on project delivery (either local authority or implementation partners). Data will be collected by DGC every six months.
- Indicator - £ co-funding spent on project delivery (private and public). Data will be collected by DGC every six months.

Milestones

- Indicator - % of projects started on time according to contract. Data will be collected by DGC/ partners every six months.
- Indicator - % of projects completed on time. Data will be collected by DGC/ partners every year.

Output

- Indicator - Public realm improved (sqm). Data will be collected by DGC/ partners every year.
- Indicator - Community space created or improved (sqm). Data will be collected by DGC/ partners every year.

- Indicator - Number of trees planted (no). Data will be collected by DGC/ partners every year.
- Indicator - Dilapidated buildings improved (no). Data will be collected by DGC/ partners every year.
- Indicator - Heritage buildings renovated/restored (no). Data will be collected by DGC/ partners every year.
- Indicator - Office space created or improved (sqm). Data will be collected by DGC/ partners every year.
- Indicator - Uptake of new tourist accommodation (no beds). Data will be collected by DGC/ partners every year.
- Indicator - No. volunteers engaged (no volunteers). Data will be collected by DGC/ partners every year.
- Indicator - Change in the number of students enrolling / completing FE / HE courses (no engaged in training for future employment). Data will be collected by DGC/ partners every year.
- Indicator - Change in the number of visitors to cultural venues (no visitors per annum). Data will be collected by DGC/ partners every year.

Outcome

- Indicator - Change in footfall. Collected by footfall counters / evaluation research.
- Indicator - Change in perceptions of place. Collected during the final evaluation research.
- Indicator - Change in number of cultural events. Collected during the final evaluation research.
- Indicator - Total number of newly created FTE permanent jobs as a direct result of the intervention. Collected during the final evaluation research.
- Indicator - Change in employment in DGC attributable to the intervention. Collected during the final evaluation research.
- Indicator - Change in GVA attributable to the intervention. Collected by evaluation research. Collected during the final evaluation research.
- Indicator - Change in wider land values attributable to the intervention. Collected during the final evaluation research.
- Indicator - Change in consumer spending. Collected during the final evaluation research.
- Indicator – Change in employment rate. Collected during the final evaluation research.
- Indicator - Increased participation in physical activity. Collected during the final evaluation research.

Resourcing/Management

The monitoring and evaluation clauses in our grant contracts ensure that projects are meeting the purpose of the grant and all funding requirements are being carried out. They require a monthly progress report on the use of the grant against the purpose under which funds were requested. The clauses included in the offer ensure that the funder, DGC, has sufficient oversight of the project to make sure that the grant conditions are being fulfilled. In addition to regular reports, these clauses also require a final report which provides assurance on expenditure of grant and progress against outcomes and benefit realisation.

Delivery of M&E will be led by the LUF Programme Management, supported by the Project Team. Monitoring systems will be developed and a framework for contractors to report on progress against milestones. Monitoring data will be collated in a data tool to enable consistent tracking against milestones and targets. The PM will be responsible for reporting to the LUF Programme Board and to government.

Senior Responsible Owner Declaration

Upload pro forma 7 - Senior Responsible Owner Declaration

Proforma 7.pdf

Chief Finance Officer Declaration

Upload pro forma 8 - Chief Finance Officer Declaration Proforma 8.pdf

Publishing

URL of website where this bid will be published www.dumgal.gov.uk

Additional attachments

Additional file attachment 1

Upload attachment Annex 1 - List of Annexes.pdf

Additional file attachment 2

Upload attachment Annex 2 - DGC Cost Workbook Final.xlsx

Additional file attachment 3

Upload attachment Annex 3 - Stranraer Water Sports Centre Project Summary.pdf

Additional file attachment 4

Upload attachment Annex 4 - Rocks and Wheels Project Summary.pdf

Additional file attachment 5

Upload attachment Annex 5 - The George Project Summary.pdf

Additional file attachment 6

Upload attachment Annex 6 - State Subsidy & Proforma 5, 6, 7 & 8.pdf

Additional file attachment 7

Upload attachment Annex 7 - Maps and Drawings including GIS files.pdf

Additional file attachment 8

Upload attachment Annex 8 - Stakeholder Engagement and Letters of Support.pdf

Additional file attachment 9

Upload attachment Annex 9 - Theory of Change.pdf

Additional file attachment 10

Upload attachment Annex 10 - D&G BCR methodology note.pdf

Additional file attachment 11

Upload attachment	Annex 11 - Evidence of Secured DGC Match Funding.pdf
Additional file attachment 12	
Upload attachment	Annex 12 - LUF Delivery Plan - Reactivating Galloway.pdf
Additional file attachment 13	
Upload attachment	Annex 13 - Land Ownership and Title Plan.pdf
Additional file attachment 14	
Upload attachment	Annex 14 - Risk Registers.xlsx
Additional file attachment 15	
Upload attachment	Annex 15 - Additional Capital Costs & Operating Cashflow Information.pdf
Additional file attachment 16	
Upload attachment	Annex 16 - DGC Cultural Management Plan.pdf
Additional file attachment 17	
Upload attachment	Annex 17 - DGC Cultural Strategy.pdf
Additional file attachment 18	
Upload attachment	Annex 18 - R&W Business Plan, Operating Cashflow, Economic Impact Assessment and Construction Costs.pdf
Additional file attachment 19	
Upload attachment	Annex 19 - Stranraer Water Sports Hub Feasibility Report & Economic Impact Assessment.pdf
Additional file attachment 20	
Upload attachment	Annex 20 - The George Feasibility and Operational Cashflow Report.pdf
Additional file attachment 21	
Upload attachment	Annex 21 - Full proforma with images and tables.pdf

Project 1 Name

The George

Provide a short description of this project

The George Hotel was once an opulent icon of Stranraer, which ceased trading in 2007 and has since fallen into disrepair and become a symbol of decline in the town centre. Only the façade walls remain as the internal roof collapsed in 2018. This bid aims to redevelop the site through the restoration of the Category B listed building and redevelopment of the surrounding derelict

site to create an anchor attraction. The new Arts, Culture and Activity Centre will deliver a multi-purpose hub offering culture, recreation and accommodation targeting visitors and providing an inviting creative space for the community.

Provide a more detailed overview of the project

The George project will regenerate a Category B listed vacant and derelict site situated on the town's High Street. Through façade retention a supporting new build to the rear it will deliver an anchor attraction which accommodates a range of uses including creative work and learning spaces. Spaces will include art studios and exhibition space, visitor bunkhouse accommodation, and activities space with a climbing wall, framed around a central sheltered courtyard with seating and activity space to connect these uses together. This project will provide space for makers and creatives and providing accommodation and wet day activities for tourists. The project will catalyse the wider regeneration of Stranraer through culture and heritage investment, breathing life into an area which has acted as an emotive icon of lost prosperity for this left behind former ferry town.

The George is one of three projects constituting the package LUF bid for Dumfries and Galloway. This coherent package of interventions focuses on investment in recreation and leisure infrastructure to target the growing active tourism market as a key driver of economic growth and support an enhanced quality of life to attract and retain residents, businesses and investors. Each project is complementary and focuses on different types of active tourism. The Stranraer Water Sports Hub focuses on aquatic activities while the Rocks and Wheels Centre includes a pump track and climbing wall capitalising on proximity to the 7 Stanes Trail. The breadth of this offer will ensure that our often overlooked and underpromoted region will increase its share of active tourism regardless of the time of year.

Provide a short description of the area where the investment will take place for this project

100% of this project investment will take place in Stranraer. The George is located within the Stranraer Conservation Area at the heart of the town centre in close proximity to the waterfront, where the proposed Water Sports Hub is located, to enable a complimentary programme of investment and regeneration across the town centre and waterfront.

Stranraer lies on the shore of Loch Ryan, on the northern side of the isthmus joining the Rhins of Galloway to the mainland. The town is surrounded by picturesque natural countryside. Stranraer hosted a bustling ferry port to Northern Ireland until its closure in 2011 due to demand for bigger ships and a shorter route. The main industries have historically been associated with the port or traditional farming. Stranraer has experienced a number of social, environmental and economic issues in the ten years since the closure of the ferry port but the proposed Marina Expansion, Water Sports Hub and redevelopment of The George in the town centre offers a chance to re-define the town as a marine leisure destination, diversify the economy and maximise natural, cultural and heritage assets.

Further location details for this project

Project location 1

Postcode DG9 7RH

Grid reference 54.904450 , -5.0279684

Upload GIS/map file (optional) Stranraer GIS context map.jpg

% of project investment in this location 40%

Select the constituencies covered by this project

Project constituency 1

Select constituency Dumfries and Galloway

Estimate the percentage of this package project invested in this constituency 100%

Select the local authorities / NI councils covered by this project

Project local authority 1

Select local authority Dumfries and Galloway

Estimate the percentage of this package project invested in this Local Authority 100%

What is the total grant requested from LUF for this project?

£7801030

What is the proportion of funding requested for each of the Fund's three investment themes?

Regeneration and Town Centre 0%

Cultural 100%

Transport 0%

Confirm the value of match funding secured for the component project

£867000

Provide details of all the sources of match funding within your bid for this component project

RGCF funding of £300,000 has been allocated and secured.
DGC will provide matched funding of £567,000 for The George. This has been allocated and secured.
There are no funding gaps.

Value for money

The following economic impacts have been monetised as part of the assessment of The George:

Net Direct and Indirect - GVA - £2,551,194
Wider Land Value Uplift (Housing) - £2,444,777
Wider Land Value Uplift (Commercial) - £6,416,708
Participation in Sport - £5,617,133
Volunteering - £374,501
Placements and training qualifications - £773,255
Total Economic and Social Benefits = £18,177,567

The cost estimates have been estimated at RIBA Stage 2 for the project. All funding will be public sector (LUF or Co-Funding).
The Present Value of Public Sector Costs is £5,947,376.

Based on the Present Value of Benefits and Costs, the project will generate a BCR of 2.04 which indicates High Value for Money. When considering the non-Monetised impacts this further strengthens the VFM category.

As part of the assessment, sensitivity testing was carried out. To ensure robustness of the analysis, several sensitivity tests were undertaken. Given the high BCR, benefits would need to substantially fall for the project to fall below a BCR of 1.

BCR and value assessment

If it is not possible to provide an overall BCR for your package bid, explain why below Not applicable as BCR is provided.

Benefit Cost Ratios

Initial BCR	2.04
Adjusted BCR	2.04

Non-monetised benefits for this project

Keeping of the façade (slight beneficial)
Retaining the façade will improve the appeal of the George and generate pride of place in a piece of local architecture with historic significance, contributing to the character and visual appeal of Stranraer.

Art and gallery space (moderate beneficial)
The art gallery space will contribute to creating an experiential offer along the high street which encourages people to visit and spend time in the town centre.

Accommodation
The provision of accommodation will extend the duration of visits and help to retain the expenditure of visitors in Stranraer and also will provide some increase in the value of the land as the building is brought back into use.

Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

Could this project be delivered as a standalone project?

Yes - the project could be delivered as a standalone project

Demonstrate that activity for this project can be delivered in 2022-23

Following confirmation of funding, the following actions will be advanced in 2022/23:

- Wayleave and access legal negotiations with carpark owners.
- Design team procurement, appointment, and advancement of detailed design work, building on existing scheme designs.
- Planning permission application submission

Key dependencies and interfaces for 2022/23 work to be delivered include:

- Securing LUF funding to enable mobilisation. The scheme is not viable without LUF intervention and all early works have been completed – so, in effect no further work can start without receiving LUF investment

The project schedule provides for Practical Completion by June 2025.

Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

No consents have been obtained at this point.

DGC maintains all statutory powers required to deliver the project.

Upload content documents (optional)

Outstanding statutory powers/consents

Listed Building Consent

For Grade B Listed Building for alterations to façade and listed items

Oct 22

Early engagement with BC officers

Road closure permit

To close Church St for duration of works to protect workforce, traffic and pedestrians

Oct 22

Early application and advertisement. Ensure residents and businesses are communicated.

Building Warrant

Stat consent for refurbishment of existing building and erection of new outside structures

Jan 23

Early engagement undertaken

Planning Permission

For building alterations

Aug 23

Project 2 Name

Stranraer Water Sports Hub

Provide a short description of this project

This is an ambitious community-led regeneration project that will deliver a purpose-built Water Sports Hub. The project aims to regenerate Stranraer and its waterfront by increasing accessibility and usage of its coast. This will facilitate the Stranraer Waterfront Development Framework vision “to reposition Stranraer and Loch Ryan as a distinctive and successful marine leisure destination”, complementing the proposed Marina Expansion. The scheme will deliver a Water Sports Hub that delivers events, training, community activity and regatta facilities. The hub will also provide outreach facilities for schools and youth groups in the area.

Provide a more detailed overview of the project

The Stranraer Water Sports Hub will provide a vital contribution to the regeneration of Stranraer and its waterfront, complementing the planned Stranraer Marina Extension and redevelopment of The George to raise the profile of Stranraer as a destination, bringing increased visitors and spend to the town.

The Water Sports Hub will comprise bespoke spaces that will encourage and facilitate water sports and activities for the local community and tourists alike. Facilities include a reception area, changing rooms, shower, toilets, lockers, drying room, wet/dry classrooms, meeting room, social spaces and kitchen. The development will also deliver slipway facilities, active beach area, boat storage space and parking (including for motorhomes).

The Stranraer Water Sports Hub is one of three projects constituting the package LUF bid for Dumfries and Galloway. This coherent package of interventions focuses on investment in recreation and leisure infrastructure to target the growing active tourism market as a key driver of economic growth and support an enhanced quality of life to attract and retain residents, businesses and investors. Each project is complementary and focuses on different types of active tourism. The Stranraer Water Sports Hub focuses on aquatic activities, while The George delivers a mixed-use centre offering creative space, visitor accommodation and wet day activities and the Rocks and Wheels Centre includes a pump track and climbing wall capitalising on proximity to the 7Stanes Trail. The breadth of this offer will ensure that the region will increase its share of active tourism regardless of the time of year.

Provide a short description of the area where the investment will take place for this project

100% of this project investment will take place in Stranraer. The Stranraer Water Sports Hub is located adjacent to the marina at the waterfront, and in close proximity to the Town Centre, where The George is located, to enable a complementary programme of investment and regeneration across the town centre and waterfront.

Stranraer lies on the shore of Loch Ryan, on the northern side of the isthmus joining the Rhins of Galloway to the mainland. The town is surrounded by

picturesque natural countryside. Stranraer hosted a bustling ferry port to Northern Ireland until its closure in 2011 due to demand for bigger ships and a shorter route. The main industries have historically been associated with the port or traditional farming. Stranraer has experienced a number of social, environmental and economic issues in the ten years since the closure of the ferry port but the proposed Marina Expansion, Water Sports Hub and redevelopment of The George in the town centre offers a chance to diversify the economy and maximise natural, cultural and heritage assets.

Further location details for this project

Project location 1

Postcode	DG9 7RE
Grid reference	NX058306
Upload GIS/map file (optional)	Stranraer Water Sports Hub Location.PNG
% of project investment in this location	100%

Select the constituencies covered by this project

Project constituency 1

Select constituency	Dumfries and Galloway
Estimate the percentage of this package project invested in this constituency	100%

Select the local authorities / NI councils covered by this project

Project local authority 1

Select local authority	Dumfries and Galloway
Estimate the percentage of this package project invested in this Local Authority	100%

What is the total grant requested from LUF for this project?

£4662026

What is the proportion of funding requested for each of the Fund's three investment themes?

Regeneration and Town Centre	0%
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Cultural	100%
Transport	0%

Confirm the value of match funding secured for the component project

£518070

Provide details of all the sources of match funding within your bid for this component project

Total £518,070 (10% of total)

DGC will provide matched funding of £518,070 for Stranraer Water Sports Centre. This has been allocated and secured.

There are no funding gaps.

Value for money

The following economic impacts have been monetised as part of the assessment of Stranraer Water Sports Hub:

Net Direct and Indirect - GVA - £671,367
Wider Land Value Uplift (Housing) - £2,444,777
Wider Land Value Uplift (Commercial) - £6,416,708
Participation in Sport - £2,568,391
Volunteering - £554,817
Qualifications - £74,232
Total Economic and Social Benefits = £12,730,292

The cost estimates have been estimated at RIBA Stage 2 for the project. The cost estimates include 20% VAT which has been stripped out of the economic costs. All funding will be public sector (LUF or Co-Funding).
The Present Value of Public Sector Costs is £4,443,055

Based on the Present Value of Benefits and Costs, the project will generate a BCR of 2.87 which indicates High Value for Money. When considering the non-Monetised impacts this further strengthens the VFM category.

As part of the assessment, sensitivity testing was carried out. To ensure robustness of the analysis, several sensitivity tests were undertaken. Given the high BCR, benefits would need to substantially fall for the project to fall below a BCR of 1.

BCR and value assessment

If it is not possible to provide an overall BCR for your package bid, explain why below

Not applicable as BCR is provided.

Benefit Cost Ratios

Initial BCR 2.87

Non-monetised benefits for this project

There are significant non-monetised benefits:

Improved confidence of young people (large beneficial)

The project will work with school children to provide them with opportunities to get involved in water-based sports. Bodies of water are perceived to have positive soothing and calming effect on people's minds. Water Sports focus the attention solely on the activity, which can help to an individual to leave stress on shore, relax and de-stress. When practiced regularly, Water Sports can work to reduce depression and increase self confidence.

Increased visitors (large beneficial)

Increased visitor numbers of around 1,240 to Stranraer will have a positive impact upon local businesses in the area, creating more visitor spend and improve Stranraer's appeal which has been reflected in the increased wider land value uplift.

Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

Could this project be delivered as a standalone project?

Yes - the project could be delivered as a standalone project

Demonstrate that activity for this project can be delivered in 2022-23

In 2022/23 the Stranraer Water Sports Hub will spend £310,490. This accounts for 6% of the overall project spend.

This will comprise of design fees, survey work, consents and will be split as follows:

- DGC - £92,100
- LUF – £218,390

Following confirmation of funding, the following actions will be advanced in 2022/ 23:

- Complete the detailed design and technical design
- Submit the planning application
- Receive a Marine Licence

Key Dependencies and Interfaces for the 2022/23 work to be delivered:

- Securing LUF funding to enable mobilisation. The scheme is not viable without LUF intervention and all early works have been completed – so, in effect no further work can start without receiving LUF investment.
- Marine licence needs to be granted for construction to take place. Early engagement with authorities has already taken place.
- Community Asset Transfer of Common Good Land to SWSA needed. Early engagement with authorities undertaken and advertisement placed.

The project schedule provides for Practical Completion by June 2025

Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

SWSA have not obtained statutory consents yet (other than approval to proceed with the Ground Improvement work via the marina tender).

DGC maintains all statutory powers required to deliver the project. Engagement with all relevant bodies is underway to ensure full approvals are received.

Upload content documents (optional)

Outstanding statutory powers/consents

Planning - Working closely with DGC planning to ensure application will be granted for the design of the SWSA Water Sports Hub - Projected Date November 2022

Building Warrant - Preparing all documentation as the designs progress to ensure Building Warrant is submitted and granted - Projected Date December 2022

Community Asset Transfer - Transfer of Common Good land to SWSA is being progressed with early engagement and advertisement - Projected Date March 2023

Crown Estates - Early engagement planned to secure further consent to undertake works on Crown Estate Land - Projected Date March 2023

Marine Licence - Marine Licence preparation and submission, preparation of all documentation as the designs progress to ensure licence is granted - Projected Date August 2022

Scottish Environment Protection Agency - Consultation through planning application, early engagement and advice to ensure CAR Licence is granted - Projected Date November 2023

Project 3 Name

Rocks and Wheels, Dalbeattie

Provide a short description of this project

The former Dalbeattie Primary School will be brought back into use as an activity centre offering physical activity facilities for the local community and visitors through the offer of a climbing wall, bouldering, pump track, affordable accommodation. It will also offer training opportunities through links with local colleges. The project site benefits from a direct gateway to Dalbeattie Forest and the iconic 7Stanes Trail, enabling Dalbeattie to capitalise on the active tourism market through a complementary offer and provision of supporting infrastructure.

Provide a more detailed overview of the project

The Rocks and Wheels project will bring the derelict Category C listed primary school back into use as a community-based activity centre. The site will deliver

a gateway into Dalbeattie Forest and the 7 Stanes Trail. The 7 Stanes Trail attracts hundreds of active tourism visitors each year to go hiking, mountain biking, horse riding or camping.

Amenities will include a climbing / bouldering wall, pump track, bunk house and café. The accommodation will be affordable and offer additional amenities like washing/drying facilities. The centre will have a focus on community outreach including training opportunities through links with local colleges and schools.

The Rocks & Wheels project will take advantage of the explosive growth in the mountain biking tourism industry in Southern Scotland. This is particularly relevant as Dumfries & Galloway has been identified as a priority area for this purpose and described as “the sleeping giant of Scotland” by Mountain Biking Scotland due to its abundance of underutilised natural assets. Dalbeattie further stands out within the region as a location with easy access to nearby outdoors destinations, in addition to being the venue for a number of well attended events (Hardrock Challenge, Solway Sportive, Dalbeattie Walking Festival).

The Rocks & Wheels site is on the doorstep of the Dalbeattie 7 Stanes mountain biking trail centre is adjacent to a direct cycling route to the trails. Dalbeattie 7 Stanes is one of seven trail centres across southern Scotland operated by Forestry Land Scotland that each attract hundreds of thousands of visitors per year. Five of the seven Stanes are within 20 miles of Dalbeattie in addition to hundreds of miles of both road and gravel cycling routes, presenting huge potential for growth in visitor numbers resulting from investment in appropriate amenities such as RAW.

The significant growth in this industry has resulted in an increase in demand for associated facilities such as specific overnight accommodation, bike wash, drying rooms and also infrastructure such as pump tracks. A relevant case study in a bordering region that reflects how mountain biking can transform the economy of a declining rural town, is that of Innerleithen in the Scottish Borders. Once a booming mill town that suffered economic decline following the closure of the mills. Over the last decade, that decline in economic activity and population has been reversed almost entirely due to the economic impact of mountain biking on the town as a mountain biking destination resulting in new business growth and a reverse in population decline. Dalbeattie has similar geographical attributes to Innerleithen through close proximity to 7stane site and a wealth of nearby natural assets. The current offering for the active tourism market is sparse, presenting an opportunity for the RAW project to capitalise on this ever growing market while simultaneously providing wide ranging benefit to the local community.

Rocks and Wheels is one of three projects constituting the package LUF bid for Dumfries and Galloway. This coherent package of interventions focuses on investment in recreation and leisure infrastructure to target the growing active tourism market as a key driver of economic growth and support an enhanced quality of life to attract and retain residents, businesses and investors. Each project is complementary and focuses on different types of active tourism. The Stranraer Water Sports Hub focuses on aquatic activities while The George delivers a mixed-use centre offering creative space, visitor accommodation and wet day activities. The breadth of this offer will ensure that the region will increase its share of active tourism regardless of the time of year. This project offers a climbing wall and pump track complementing the other two projects.

Provide a short description of the area where the investment will take place for this project

100% of this project investment will take place in the town of Dalbeattie.

Dalbeattie is historically known for its granite industry and sits 12 miles southwest of Dumfries and 4 miles east of Castle Douglas. Factory closures in the late 1990s curtailed the provision of local employment. The town is surrounded by natural forest and countryside and there is a burgeoning visitor economy which capitalises on proximity to the 7 Stanes Trail in Dalbeattie

Forest. However, there is a limited tourism offer and supporting infrastructure in the town which means that Dalbeattie is unable to maximise the economic potential of this asset. In addition to having the Dalbeattie 7Stane on the doorstep, the town is also within 20 miles of 4 other 7Stane trail centres and is surrounded by miles of roads and forest paths ideal for cycling among other natural attractions, making it an ideal location for active tourism visitors. The town also plays host to a number of outdoor activity events throughout the year, which would benefit from fit for purpose accommodation.

Further location details for this project

Project location 1

Postcode	DG5 4HR
Grid reference	NX83714
Upload GIS/map file (optional)	Dalbeattie GIS context map.jpg
% of project investment in this location	100%

Select the constituencies covered by this project

Project constituency 1

Select constituency	Dumfries and Galloway
Estimate the percentage of this package project invested in this constituency	100%

Select the local authorities / NI councils covered by this project

Project local authority 1

Select local authority	Dumfries and Galloway
Estimate the percentage of this package project invested in this Local Authority	100%

What is the total grant requested from LUF for this project?

£5235604

What is the proportion of funding requested for each of the Fund's three investment themes?

Regeneration and Town Centre	0%
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Cultural	100%
Transport	0%

Confirm the value of match funding secured for the component project

£581734

Provide details of all the sources of match funding within your bid for this component project

DGC will provide matched funding of £581,734 for Rocks & Wheels. This has been allocated and secured.

There are no funding gaps.

Value for money

The following economic impacts have been monetised as part of the assessment of Rocks and Wheels:

Net Direct and Indirect - GVA - £4,391,885
Wider Land Value Uplift (Housing) - £2,789,063
Wider Land Value Uplift (Commercial) - £1,683,256
Participation in Sport - £1,600,772
Volunteering - £2,338,520
Apprenticeships - £33,025
Total Economic and Social Benefits = £12,836,521

The cost estimates have been estimated at RIBA Stage 2 for the project. The cost estimates include 20% VAT which has been stripped out of the economic costs. All funding will be public sector (LUF or Co-Funding). The Present Value of Public Sector Costs is £5,834,496.

Based on the Present Value of Benefits and Costs, the project will generate a BCR of 2.20 which indicates High Value for Money. When considering the non-Monetised impacts this further strengthens the VFM category.

As part of the assessment, sensitivity testing was carried out. To ensure robustness of the analysis, several sensitivity tests were undertaken. Given the high BCR, benefits would need to substantially fall for the project to fall below a BCR of 1.

BCR and value assessment

If it is not possible to provide an overall BCR for your package bid, explain why below

Not applicable as BCR is provided.

Benefit Cost Ratios

Initial BCR 2.20

Adjusted BCR 2.20

Non-monetised benefits for this project

Significant non-monetised benefits:

Land Amenity – Community public square (slight beneficial)

The attractiveness of the land will be improved by landscaping to improve the Community public square which will help enhance the wider town centre and appeal to visitors.

Mountain biking impact (moderate Beneficial)

This will capitalise upon a growing visitor and sporting market in Scotland making Dalbeattie a first-choice destination and improve the health of residents. Dumfries & Galloway identified within Scotland as a priority area for this purpose.

Pump track participation (slight beneficial)

Guided sessions will encourage residents to participate in new sporting activities and improve confidence whilst having positive benefits for the general health of participants.

Accommodation (moderate beneficial)

The provision of accommodation will help to keep the expenditure of visitors in Dalbeattie and also will provide some increase in the value of the land from a change in use.

Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

Could this project be delivered as a standalone project?

Yes - the project could be delivered as a standalone project

Demonstrate that activity for this project can be delivered in 2022-23

Following confirmation of funding, the following actions will be advanced in 2022/23:

- Procure and appoint the full design team
- Develop design to RIBA Stage 3
- Develop planning application

Key dependencies and interfaces for 2022/23 work to be delivered include:

- Securing LUF funding to enable mobilisation. The scheme is not viable without LUF intervention and all early works have been completed – so, in effect no further work can start without receiving LUF investment.
- Delivery of RIBA stage 3 designs is dependent upon procuring the design team with a strong track record at the correct price.
- Community asset transfer of landownership from Council to Dalbeattie Community Initiative.

The project schedule provides for Practical Completion by June 2025.

Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

No consents have been obtained at this point.

DGC maintains all statutory powers required to deliver the project.
Consent Description Time Mitigation
Planning Planning application granted for the design of the Rocks and Wheels Centre Aug 22 Working closely with DGC planning to ensure application will be granted
Listed Building Consent For Grade C Listed Building Aug 22 Working closely with DGC to ensure application will be granted
SEPA Consultee through planning application Aug 22 Early engagement
Building Warrant Building warrant preparation and submission Oct 22
Preparing all documentation as the designs progress to ensure warrant is granted.
Community Asset Transfer Transfer of Council owned building 2022/23
Process already underway. Early committee approval and fast track paperwork.

Upload content documents (optional)

Outstanding statutory powers/consents

Planning - Aug 2022

Listed Building Consent - Aug 2022

SEPA - Aug 2022

Building Warrant - Oct 2022
