

Potential Trunking of the A83
Between Kennacraig and Campbeltown

BUSINESS CASE



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INTRODUCTION

1.1 Project Background

The Scottish Government has recently set out a commitment to enter into discussions with Argyll and Bute Council regarding the case for trunking the A83 between Campbeltown and Kennacraig. The A83 is a key transport artery in Argyll and runs from the A82 at Tarbet approximately 160km to Campbeltown although the trunk road network does not currently extend beyond Kennacraig. The principal towns in Argyll which are served by the A83 are Inveraray, Lochgilphead, Ardrishaig, Campbeltown and Tarbert. However, this road also serves Dunoon, the main ferry to Islay leaving from Kennacraig, Cowal, Mid Argyll and Kintyre. Traffic volumes on the route are relatively low at around 3,000 vehicles per day and the A83 is identified within the Strategic Transport Projects Review (STPR) as a route that would be managed through targeted investment and local interventions.

The Council maintained section of the A83 begins at the south side of the Kennacraig Ferry Terminal access and extends to the Longrow South / Main Street (B842) junction in the centre of Campbeltown. In the event of this section of the A83 being trunked we would look to reclassify and trunk the carriageway through to the New Quay Pier as this is where the new Campbeltown to Ardrossan ferry service will berth and renewable energy components continue to be loaded/unloaded.

The Kintyre Peninsula has in recent years attracted significant investment in business sectors that are central to the Government Economic Strategy and vital to Scotland's economic competitiveness: renewable energy; manufacturing; tourism; and food and drink, including whisky. In the same period, the area has also increased public transport connections to the Central Belt. The introduction of the new ferry link to Ardrossan fundamentally repositions the importance of the A83 in terms of providing an alternate route from the Central Belt to the West Highlands. The Campbeltown area is also a recipient of a major strategic programme of public sector investment by the Council, Historic Scotland, HIE and Lottery and ERDF (e.g. £6.5m for town centre regeneration and £10m plus of marine and road infrastructure improvements for the renewable energy industry). Campbeltown has a resident population of almost 5,000 with significant potential to expand in the years ahead.

The Council has invested in and maintained the integrity of the section of the A83 for which it has been responsible. However, given the changed strategic significance of this route, there is now a clear case for the adoption of the entirety of the A83 through to the New Quay Pier in Campbeltown.

This Business Case has been prepared following consultation with officers in Economic Development, Roads and Planning.

In line with the principals of Scottish Transport Appraisal Guidance (STAG) the following 7 key areas have been considered within the Options Appraisal in respect to the trunking of the A83 south of Kennacraig:-

- Environment;
- Safety;
- Economy;

- Integration;
- Accessibility and Social inclusion;
- Public Support;
- Value for Money.

1.2 Project Partners

Argyll and Bute Council are responsible for this project in partnership with Transport Scotland. Table 1.1 below, sets out the current roles/responsibilities of each stakeholder.

Table 1.1 – Current Project Stakeholder Roles

Organisation/Service	Role/Responsibility
Argyll and Bute Council Roads and Amenity Services	Local roads authority with existing responsibility for the A83 south of Kennacraig
Argyll and Bute Council Planning Services	Local planning authority responsible for future development aspirations in Kintyre
Argyll and Bute Council Strategic Transportation Service	Responsible for liaising with Transport Scotland regarding local public transport services and economic development opportunities in Kintyre
Transport Scotland	Trunk roads authority who are currently responsible for the A83 north of Kennacraig.
BEAR Scotland	Responsible for the management and maintenance of the North West Scotland Trunk Road Unit from April 2013

1.3 Project Options

This report will consider the case for trunking the road against the following 2 options:-

- **Option 1** – form part of the trunk road network, and the responsibility for its management and maintenance transfer to the Scottish Ministers;
- **Option 2** – (Do nothing) remain a ‘local road’ and the responsibility for its management and maintenance remain with Argyll and Bute Council.

2.0 STRATEGIC FIT

This section assesses the strategic fit of the proposals taking cognisance of the key local and national policies with relation to transport, planning and economic development.

2.1 The Government Economic Strategy

The Scottish Governments Economic Strategy sets out six Strategic Priorities which will drive sustainable economic growth and develop a more resilient and adaptable economy. Table 2.1 below, demonstrates where the proposed trunking of the A83 is consistent with these priorities.

Table 2.1 Economic Strategy Strategic Priorities

Strategic Priority	A83 Fit	Comment
Supportive business environment	✓	Kintyre is home to two internationally renowned golf courses and has high quality tourism venues. The Wind Towers Ltd facility at Machrihanish is nationally significant and Campbeltown / Machrihanish is a key site in the government's National Renewable Infrastructure Plan. There has also been expansion in the local whisky and aquaculture industries.
Transition to a low carbon economy	✓	Kintyre is a national hub for the renewable energy industry both in terms of manufacturing and the generation of renewable energy. Campbeltown contains significant potential to service the expanding off shore renewable industry off Islay.
Learning, skills and well-being	✓	It is hoped to create a national area of excellence for the manufacturing and development of renewable energy projects at Machrihanish.
Infrastructure development and place	✓	Tourism food and drink and renewable energy opportunities in Kintyre are key to the economic prosperity of Argyll. The new ferry and air services provide improved transport connections to the Central

		Belt and beyond.
Effective government	✓	Partnership working with stakeholders to realise growth in key sectors e.g. renewable, tourism, food and drink (including whisky)
Equity	✓	Improved accessibility and promoting sustainable economic growth in a fragile region.

2.2 Regional and Local Transport Strategies

HITRANS' Regional Transport Strategy was approved by Scottish Ministers in July 2008 and covers a 14 year period. The strategy's vision is "enhancing the area's viability - enhancing its place competitiveness and thereby attracting and retaining people in the area and making it a more attractive place in which to live, to work, to conduct business and to visit." Hitrans state that the Strategy's principal benefit to the communities and businesses of the HITRANS area will be to increase sustainable economic growth, in line with Scottish Government's Economic Strategy, by enabling the area to compete and support growth.

Argyll and Bute Council's Local Transport Strategy (LTS) is titled "Moving Forward" and sets out plans and policies for transport in Argyll and Bute. The strategy's vision is to "enable a vibrant Argyll and Bute" and the following objectives are set out to work towards achieving this vision:-

- Encourage a growing and sustainable economy in Argyll and Bute;
- Improve people's transport experience;
- Manage the effect of transport on Argyll and Bute's rich natural environment;
- Improve accessibility for all our communities;
- Improve journey safety and personal security for everyone in Argyll and Bute.

It is considered that the trunking of the A83 may enhance the objectives and visions of the Regional and Local Transport Strategies by:

- Helping to build key growth sectors of the Scottish economy (renewable energy, tourism);
- Improving connectivity between the Central Belt and rural, fragile communities in Kintyre;
- Improving connectivity to local public transport services in Kintyre (air and ferry).

2.3 Emerging Argyll and Bute Local Development Plan (LDP)

Campbeltown performs a crucial role in delivering economic opportunities for the wider area through established industries such as tourism, forestry, food and drink together with the renewables industry. The LDP recognises that this potential could be better realised through better connectivity such as improvements to the A83 and additional ferry connections to the central belt and Northern Ireland in the longer term. While still economically fragile the thriving islands of Islay and Jura are also well placed to take advantage of the emerging off shore renewables industry and continue to diversify their economic base as opportunities present themselves. Elsewhere there is also potential for sustainable economic growth given the areas outstanding natural and built environment with a focus on communities such as Tarbert and Gigha.

2.4 Single Outcome Agreement and Corporate Plan

Argyll and Bute's latest Single Outcome Agreement is dated 2012-13 and within this document the following relevant Local Outcomes are set out under the Economy theme:-

- CPP 3 - We have contributed to an environment where existing and new businesses can succeed;
- CPP 4 - Our transport infrastructure adapts and develops to meet the social and economic needs of our communities.

In the Corporate Plan 2013-17, the Council have reaffirmed a commitment to improving the transport infrastructure in Argyll and Bute. Under the Corporate objective "Working together to realise the potential of our area" is a corporate outcome of "Our transport infrastructure meets the economic and social needs of our communities."

To help us achieve this objective the Council will:-

- Develop and implement a long term integrated transport policy;
- Develop and deliver a comprehensive plan for upgrading and maintaining the road system that targets investment in infrastructure;
- Engage communities and local transport operators to develop a cost effective public transport provision.

2.5 Economic Development Action Plan (EDAP)

Argyll and Bute Council's EDAP sets out the Council's ambitions, key priorities and related actions for the sustainable economic development of the area. The plan is centred around the three key themes of competitive, connected and collaborative. Connected is the key theme in relation to the trunking of the A83 as this sets out transport and infrastructure priorities that will connect the economy of Argyll and Bute and integrate it with the wider economy. The following outcomes set out with the EDAP are considered consistent with the proposals to trunk the A83 south of Kennacraig:-

- Transport encourages a growing, well connected and sustainable economy;
- Ensure that our renewable energy potential is realised for the benefit of Argyll and Bute and Scotland;
- Tourism – move industry up the value chain, extend season and improve profile and propositions;

- Improve journey safety to promote improved access and minimise risk of accident – increased economic activity will increase road usage.

2.6 Renewables

The Kintyre Peninsula is a national hub in the renewable energy sector and Campbeltown and Machrihanish are one of eleven sites identified in The National Renewables Infrastructure Plan (NRIP). The NRIP was published by Scottish Enterprise and Highlands and Island Enterprise with the aim of bringing forward a first phase of off-shore renewable locations in order to establish a competitive position for Scotland in this market. The Wind Towers Scotland Ltd facility at Machrihanish is the only wind turbine manufacturer in the UK capable of producing offshore wind turbines and one of only two onshore tower manufacturers in the UK. This facility is a major employer in an area of high unemployment (currently 135 staff) and has significant growth potential given that the NRIP identifies Campbeltown and Machrihanish as sites for the further manufacturing and operation/maintenance of offshore wind infrastructure sites. Although a proportion of the manufactured components and related materials are transported by ship, road connectivity remains vital for shipments to and from the manufacturing facility. The status and condition of the A83 will be a determinant of the realisation of future expansion plans and additional private sector investment.

In addition to offshore renewable sites, the Kintyre Peninsula has a number of on-shore wind farms and there are proposals for further sites to be installed in this area. Currently, the key operational sites are Beinn an Tuirc which has 46 turbines with a further 19 currently under construction and Tangy which has 15 turbines with a further 2 under construction. In addition, there are a number of potential wind farm sites currently at the scoping or planning stage of development in Kintyre which could result in over 80 additional turbines being constructed. The development of the Kintyre to Hunterston sub-sea link will further open up the area for renewable energy.

In recognition of the significance of Kintyre as a national renewable energy hub, £12m has been invested in a major infrastructure project in Campbeltown in order to provide improved road access, berthing and quay facilities for the expanding renewables industry. The project has been part funded by the European Regional Development Fund (ERDF) and involved local road improvements such as widening and passing places to facilitate the transportation of component parts between the factory in Machrihanish and the New Quay in Campbeltown. The project has also involved dredging the harbour to provide an additional five metres of depth at the low tide to allow berthing of larger vessels, as well as allowing for changes in vessel size and shape in the future.

2.7 CHORD

Through its CHORD programme, Argyll and Bute Council has agreed to invest more than £30 million in five of its waterfront towns (Campbeltown, Helensburgh, Oban, Rothesay and Dunoon). £6.5m has been allocated to assist regeneration and economic development in Campbeltown by progressing the following three projects:-

- Campbeltown Berthing Facility – Full business case being developed for proposed marina in Campbeltown harbour with approximately 45 berths;
- Kinloch Road Regeneration – New gateway to town centre, 39 affordable residential units, upgraded public realm features and public transport facilities;

- Campbeltown Conservation Area Regeneration Scheme (CARs) and Townscape Heritage Initiative (THI) - Improvements to a number of the town's key heritage buildings and conservation area via the Campbeltown Town Centre Regeneration Project.

2.8 Machrihanish Airbase Community Company

The Machrihanish Airbase Community Company (MACC) purchased the former RAF base at Machrihanish in 2012 and working with Scottish Government, HIE and Argyll & Bute Council hope to encourage as many industries and businesses as possible to set up within the site boosting the local economy and generating jobs. The 1000 acre site is currently home to Campbeltown Airport and the Wind Towers Scotland Ltd facility and it is a key site in phase one of the National Renewable Infrastructure Plan. It is hoped to build on this and create a national area of excellence for the manufacturing and development of renewable energy projects. Road connectivity will be a key determinant of the realisation of MACC's development plans.

2.9 Tourism

Kintyre now boasts two internationally recognised golf courses (Machrihanish and Machrihanish Dunes) and a choice of high quality visitor accommodation following recent investment from American developers in the Ugadale and Royal Hotels. The area is also benefitted by the Long and Winding Way long distance footpath that connects Tarbert to Southend in South Kintyre. In addition, the area also benefits from sailing and whisky tourism given Campbeltown's internationally renowned distilleries and its close proximity to Islay. Golf and whisky tourism in Scotland are predicted to continue to grow and the high quality golf courses and visitor accommodation available in Kintyre make these markets very attractive to visitors. In addition, the renewable energy and whisky industries are drivers of national growth and are likely to continue to expand stimulating additional growth for Kintyre.

2.10 Air Services

Campbeltown Airport is located within the site now owned by MACC and two Public Service Obligation (PSO) return flights operate per day between Campbeltown Airport and Glasgow Monday to Friday. In addition to the current weekday services, a new pilot Sunday service will commence on the 16th June 2013. Demand for this service will be monitored to determine if this should be permanently incorporated into the route. In addition, HITRANS are currently undertaking a study into regional PSO air services to ascertain if there could be a more collaborative approach taken to air services serving the west of Scotland and highlands which are currently subsidised and procured independently by Transport Scotland and local authorities. The Scottish Government has committed funding in their budget to the procurement of two new Twin Otters to serve the Glasgow/Tiree and Barra PSO air service and consideration is being given as to how to maximise the effectiveness of the provision these assets and how they will add to existing service provision including those PSO Air Services procured by local authorities. A new air service route between Campbeltown and Oban is currently being considered as part of this study and the benefits which this may bring including better access to healthcare services. A public consultation on potential routes will also form part of the HITRANS study

2.11 Ferry Services

A number of ferry services currently operate from ports within Kintyre and the surrounding area as follows:-

- Kennacraig – Islay (Cal Mac);
- Claonaig – Lochranza (Cal Mac);
- Tayinloan – Gigha (Cal Mac);
- Campbeltown – Ardrossan – Brodick (Cal Mac);
- Campbeltown – Ballycastle/Ayrshire (Kintyre Express);
- Tarbert - Portavadie

These ferry services provide lifeline connections to remote island communities and are also vital to support local businesses e.g. distilleries on Islay and tourism. Islay and Campbeltown in particular are key tourism destinations due to local golf courses and distilleries. The Kintyre Express Service is a passenger only ferry which provides rapid connections between Northern Ireland and Ayrshire. This service caters mainly for the tourism market and can also be hired for private charters.

In addition to the existing ferry services, the Scottish Governments Ferries Plan (2013 – 2022) introduced a 3 year summer pilot passenger/vehicular ferry service between Campbeltown and Ardrossan. This service successfully commenced operation in May 2013 and has the potential to remove vehicular trips (in particular haulage) from the A83 network. This ferry service will also increase resilience in the event of closures on the wider trunk road network (e.g. landslides at the Rest and Be Thankful and A82 Pulpit Rock) by providing a secondary route between Kintyre and the Central belt and the Central Belt and West Highlands. The A83 is vital to the continued and future success of ferry and other public transport services in Kintyre as this is the principal access route for passengers and vehicular traffic. This is a key factor which warrants consideration of the trunk road being extended south of Kennacraig to Campbeltown.

2.12 Strategic Fit Summary

This chapter has assessed strategic fit, and has found that the trunking of the A83 south of Kennacraig aligns well with key local and national policies including:-

- National economic development policies;
- Argyll and Bute Councils Local Transport Strategy;
- Hitrans Regional Transport Strategy;
- Argyll and Bute Council's Economic Development Action Plan;
- Argyll and Bute Council's Development Plan and emerging Local Development Plan.

In addition, it is considered that the A83 warrants having trunk road status extended beyond Kennacraig in recognition of the strategic significance of Kintyre in relation to the Scottish Governments renewable energy targets, growth in the manufacturing, whisky and tourism sectors and the lifeline and strategic public transport services which provide connections to local islands and the Central Belt. In particular, the ferry service linking Campbeltown with Ardrossan will connect Argyll with the Central belt providing resilience in the event of emergency and planned trunk road closures which have a significant negative impact on the economy of Argyll. As such, in the event of this section of the A83 being transferred the

Council would look to reclassify and trunk the carriageway through to the New Quay pier as this is where the new ferry service will berth.

3.0 PROJECT OBJECTIVES

3.1 Introduction

This chapter confirms the overall objectives for the project and also considers deliverability, risk and key constraints and uncertainties.

3.2 Project Objectives

The Strategic Transport Projects Review (STPR) defines the key functions of strategic road network as follows:-

- Linking major urban centres and areas of population change;
- Providing links to international gateways, airports, ports and boarders;
- Linking remoter communities;
- Linking key tourist areas;
- Facilitating freight routes;
- Linking areas of economic activity and regeneration areas of national significance;

It is considered that the A83 south of Kennacraig is consistent with the key functions of a strategic road network as set out above. The route is a key transport artery providing links between Kintyre and the Central Belt and it is also a significant freight and public transport (bus) route. Kintyre is an area of national significance with regard to the Scottish Governments renewable energy targets and the area also boasts growing food and drink industries together with high quality tourism facilities. In addition Kintyre has numerous gateways such as local ferry ports and Campbeltown Airport which provide connections to Glasgow, Ayrshire, and local islands with the potential to link to Northern Ireland in the longer term. It is therefore considered that there are no reasons why this route could not potentially become part of the trunk road network should this be deemed to be in the best interests of the communities and businesses in Kintyre.

3.3 Appraisal Criteria

Along with the principals of STAG the following key areas will be considered as appraisal criteria:-

- **Environment** – details of drainage and impact of local improvement schemes;
- **Safety** – analysis of local accident stats;
- **Economy/Affordability** – cost of maintaining the road network and analysis of key local sectors in Kintyre e.g. renewables and tourism;
- **Integration** – details of local bus, ferry and air services;
- **Accessibility and Social inclusion** – reliance of local residents and businesses on the A83 road network.
- **Public Support** – details of local campaigns for improvements to the trunk road network e.g. crossing points in Ardrishaig and Tarbert.
- **Value for Money** – Argyll and Bute Council should not be disadvantaged financially by the preferred option.

4.0 PROJECT COSTS / AFFORDABILITY.

4.1 Asset Condition

Following the severe winter of 2009/2010 the Council increased the Revenue and Capital spend on the A83 and a rolling programme of improvement works was initiated, as set in Table 4.1 below:-

Table 4.1: Works Undertaken on the A83 2010 - 2013

Financial Year 2010/11		
Location	Works Undertaken	Value
Drumore - North of Campbeltown	Overlay	£75,000
Clachan	Overlay	£200,000
North of Tayinloan	Surface Dressing	£100,000
Financial Year 2011/12		
Seal Point to Ballochroy	Overlay	£300,000
Westport to Ballochroy	Surface Dressing	£225,000
Financial Year 2012/13		
Kennacraig South	Surface Dressing	£220,000
Kilmaho	Overlay	£115,000
Achnafad to Ballochroy	Surface Dressing	£185,000
Muasdale Hill	Road Widening	£2m total (£500,000 ABC contribution)
Totals 2010 - 2012		
Total Spend		£1,920,000

Taking cognisance of the capital works set out in Table 4.1, a total of 20.9km (43%) of the A83 has been treated since 2010.

Table 4.1 above, includes works undertaken at Muasdale Hill. This was a joint road improvement scheme taken forward by the Council and Green Power to enable wind turbine components to be transported along this route. This scheme involved major earthworks and realignment of the road approximately 1 mile south of Muasdale as the previous alignment was too restrictive to enable windfarm components to be transported between Campbeltown and a windfarm site near Taynuilt. This project cost approximately £2m with the Council contributing £500k and the Council worked closely

with Green Power to ensure that the works undertaken were consistent with Council aspirations for the long term benefits of road users.

The Road Condition Index (RCI) has been calculated from a combination of data collected between August 2010 and 31 December 2012. The RCI is calculated using the following factors:

- LV10 – longitudinal profile taken at 10m centres;
- LV3 – longitudinal profile taken at 3m centres (this tends to pick up potholes and similar surface defects as well);
- Cracking – cracking over whole carriageway;
- Rutting – depressions or tracks within the carriageway (wheel tracking);
- Texture – measures the texture of the road surface.

The latest RCI results shown below and can be seen graphically in Appendix 3, Kintyre A83 RCI Data plan.

- Green 61.111km, 59.05% of network;
- Amber 31.798km, 30.72% of network;
- Red 10.587km, 10.23% of network.

Sideway-force Coefficient Routine Investigation Machine (SCRIM) data measures the wet skidding resistance of the road network and measurements are usually taken at 50km/h at 10m centres. The latest SCRIM results for the A83 are presented below and also graphically in Appendix 3, Kintyre A83 SCRIM plan:-

- Green 82.416km 81.76% of network;
- Amber 11.524km, 11.43% of network;
- Red 6.857km, 6.80% of network.

4.2 Future Plans for the A83

The schemes set out in Table 4.2 below, are included in the Roads Reconstruction and bridges Capital Programme for 2013/14:-

Table 3.2: A83 Schemes included in 2013/14 Roads Reconstruction Programme

Location	Proposed Works	Value
Drum	Structural widening and surface dressing	£180,000
Glenbarr	Surface dressing preparation	£65,000
Beachmenannach	Bridge replacement	£150,000
Total Spend		£,395,000

The schemes listed in Table 4.3, have been identified as potential schemes for the A83 in the 5 year draft capital programme for Kintyre:-

Table 4.3: Potential Schemes for A83 in 5 year draft capital programme

Location	Proposed Works	Value
Kilchenzie south	Resurface, drainage & edge strengthening	£160,000
Kilchenzie north	Surface dress & preparation	£120,000
Glenacardoch	Overlay & edge strengthening	£212,500
Drumnamucklach	Surface dress & preparation including edge strengthening	£16,000
Glencraigs	Resurface (100) & edge strengthening.	£130,000
Ronachan	Resurface and edge strengthening	£140,000
Clachan South	Resurfacing	£325,000
Total		£1,103,000

It should be noted that the schemes presented in Table 4.3 are potential schemes and would be prioritised based on future funding and the condition of the road network at the time of confirming each year's programme.

4.3 Potential Drainage Improvements

The Council are currently in the initial stages of investigating the feasibility of undertaking approximately 4.5km of drainage and carriageway widening works between Tayinloan and Glencraigs. It is proposed that the works will be split into the following three areas:-

- North of Tayinloan;
- Westport to Kilchenzie;
- Kilchenzie to Airport Road (U59).

These schemes will involve widening the road corridor to provide land for drainage improvements and carriageway widening however, it should be noted that as works are at a preliminary stage, investigations are still on-going to identify suitable outfalls for some areas and until this is complete the proposals and estimated costs cannot be finalised. As such, the details of the schemes listed have yet to be agreed at Departmental level. It should also be noted that third party land requirements have yet to be identified and following this negotiations with landowners will be required

4.4 Asset Condition Summary

Past, present and future works on the A83, as highlighted above, have been targeted at areas most in need of treatment as identified by both the Road Condition Index (RCI) from SCANNER surveys and Coarse Visual Inspections (CVI's). In line with the Council's Roads 'Asset Management & Maintenance Strategy', decisions regarding the targeting of available funding within Kintyre have been made on an asset management basis i.e. funding has been allocated, not only on an engineering-needs basis, but directed to the strategic network where the majority of road users will benefit and where the investment is likely to contribute greatest economic growth and improve quality of life. Delivery of this year's, and future years', capital programmes on the A83 Road has, and will continue to be, based on the need to reduce reactive maintenance and ensure that the Council carries out its statutory obligations.

4.5 Asset Valuation

The asset value calculation has been split into four separate sections (Roads; Bridges; Culverts; and Street Lighting). It should be noted that valuations are based on HAMFIG and depreciated replacement costs:-

- **Roads:** - The asset value for the carriageway (includes for roadside drainage, verges and so on) is an approximation based on a mix of sources. The carriageway length has been taken from RMS and the HAMFIG (Highways Asset Management Financial Information Group) calculate values for gross replacement costs, depreciated replacement costs and so on. Based on this the value is calculated as £36,557,400 (Refer to Appendix 1: Table 1)
- **Bridges:-** The Council currently work to a two year rolling programme for bridge inspections. The Structures Database is updated following inspections and contains condition scores, bridge assessments, the gross replacement cost (GRC) and a depreciated value of each structure. For the purpose of calculating the value of the overall structures within the A83 the GRC has been used providing a total figure of £15,867,700 (Refer to Appendix 1: Table 2)
- **Culverts:-** Culverts are inspected on an ad hock basis based on any visual defects and/or localised flooding. There are no known culverts to be at risk along this route. The GRC figure for culverts within the A83 is estimated to be £112,200 (Refer to Appendix 1: Table 3). Note: the estimated value of the culverts is based on the known inventory; it is likely that there remain undiscovered culverts through this section of the A83.
- **Street Lighting:-** The street lighting database LMS, provides an inventory list but does not supply any costs. Estimated GRC and annual maintenance figures are presented in Table 3.4 below. All items of plant are electrically tested every six years in accordance with the current electrical regulations. At present the majority of the street lighting on the A83 is in relatively sound condition and, as such, is not a high priority for replacement. All test sheets are scanned and recorded in the Council's WDM database. The Council's Street Lighting Team aspire to work to The Institute of Lighting Professionals TR22 Managing a Vital Asset. Overall value of asset is £190,700 (Refer to Appendix 1: Table 4).
- **Total Asset Value:-** The total value of the A83 is calculated to be £52,728,000

4.6 Asset Maintenance

General maintenance of the network is carried out on a day to day basis in accordance with the Road Asset Management Plan (RAMP). With existing budgets and resources Argyll and Bute Council are unable to meet the required response times or performance as specified within existing Roads Asset Management Plan (this has been reported to Council as part of the budget process). The current Roads budget allows the Council to achieve approximately 55% of the RAMP specification for the A83. Maintenance works on structures is prioritised based on the condition scores following inspections. Table 4.4 below, details the asset valuation and the Councils capital and revenue spend on the A83.

Table 4.4 Asset Valuation and Maintenance Summary

	Financial Year	Revenue Spend (£s)	Capital Spend (£s)	Winter Maintenance (£s)	Outstanding Maintenance (£s)	Asset Valuation (£s)
Roads	10/11	£41,000	£375,000	£72,100	-	£36,557,400
	11/12	£108,900	£525,000	£29,700		
	12/13	£62,000	£1,020,000	£46,500		
Bridges	10/11	£2,500	£100	n/a	£54,700	£15,867,700
	11/12	£9,500	£600	n/a		
	12/13	£6,000	£30,000	n/a		
Culverts	10/11	£3,500	n/a	n/a	£12,000	£112,200
	11/12	£4,500	n/a	n/a		
	12/13	£6,000	n/a	n/a		
Street Lighting	10/11	£1,400	£0.00	n/a	-	£190,700
	11/12	£2,100	£0.00	n/a		
	12/13	£200	£0.00	n/a		
Totals		£247,600	£1,950,700	£148,300	£66,700	£52,728,000

Notes:-

- Roads - Revenue spend is based on information from our roads database (RMS). Capital spend information is taken direct from final account payments.*
- Bridges - Outstanding maintenance is taken direct from the structures database (SMS).*
- Culverts - The outstanding maintenance figure is based on information from inspections which have taken place to date.*
- Street Lighting - Revenue spend information taken from the SL database (LMS) and is the sum value of only two faults reported from May 2011 to May 2013. It should be noted that the majority of the A83 between Kennacraig and Campbeltown does not have lighting.*

The Figures presented in Table 4.4, highlight that Argyll and Bute Council have invested significant funds upgrading and improving the A83 in the past three years. In excess of £1.9m of capital funding has been invested on the route and total revenue spending including winter maintenance totals £395,900. The Council will continue to upgrade and maintain this route in 2013/14 with £395,000 of road improvement and bridge replacement schemes programmed to date. Moving forward, structures will continue to be inspected and maintained as per the agreed/required programmes.

4.7 Grant Aided Expenditure (GAE)

GAE is the figure that the Scottish Government uses as an estimate for the cost of providing a particular service and it is used as the basis for calculating the amount of Revenue Support Grant provided to Local Authorities. As such, the transfer of the A83 to Transport Scotland would result in an associated transfer of GAE as follows:

- **Roads maintenance** - Current road lane length 3681km results in primary GAE allocation of £10.908m. The road lane length associated with the A83 is 101km (31.7miles converted to kilometres and doubled for lane length) which results in a primary GAE allocation of £285k.
- **Winter maintenance** - Current road lane length 2886km (lower because no parking adjustment) results in primary GAE allocation of £3.118m. The road lane length associated with the A83 is 101km which results in a primary GAE allocation of £104k.
- **Roads admin** - This GAE is a pro-rata allocation based on roads maintenance, winter maintenance and street lighting (affected by urban lane length – assumed minimal change). Current GAE allocation is £1.594m and the allocation associated with the A83 south of Kennacraig is £60k.
- **Overall GAE** - Total GAE associated with this route is £449k which covers roads maintenance, winter maintenance and roads admin.

It should be noted that the Council's Strategic Finance Team are currently investigating with COSLA and the Scottish Government exactly how GAE will be adjusted if the route is transferred and exact figures will be confirmed based on the outcome of these discussions. It is important to note that the individual service GAE allocations are not, or ever have been, budgets or spending targets but are simply an allocation methodology designed to distribute the overall levels of resources to be made available. They are not intended to be used by local authorities to allocate resources.

In addition to GAE, there is also approximately £100,000 of General Capital Grant allocated to the Council annually as the distribution methodology includes road length as one of the distribution factors. Table 3.5 overleaf, details the potential reduction in GAE and General Capital Grant against expenditure on the route over the past three years.

Table 4.5 Summary of Income and Expenditure

Financial Year	GAE Roads Maintenance	GAE Winter Maintenance	General Capital Grant	Upgrade & Maintenance Expenditure	Winter Maintenance Expenditure
10/11	£284,000	£105,000	£100,000	£416,000	£72,100

11/12	£270,000	£102,000	£100,000	£633,900	£29,700
12/13	£284,000	£104,000	£100,000	£1,082,000	£46,500

The figures presented in Table 4.5 demonstrate that over the past three years capital and revenue expenditure on the A83 has been greater than the income received through GAE and General Capital Grant. The disconnect between income and expenditure has risen extensively over the past three years from approximately £900 in 2010/11 to £640,500 in 2012/13; which is reflective of the Council's response to arrest the deterioration of the road.

4.8 TUPE

The requirement for this would require to be determined at a later date following negotiations with staff/unions. TUPE may or may not apply but has not been factored into the business case.

4.9 Affordability Summary

In recognition of the strategic importance of the A83, the Council has managed a steady improvement in its condition through careful use of capital and revenue resources and by taking opportunities such as Green Power to lever funding for further improvement works. Funds have and will continue to be targeted at areas most in need of treatment as identified by both staff and SCANNER surveys and structures will continue to be inspected and maintained as per the agreed/required programmes. This should ensure that the integrity of the route is maintained and the requirement for reactive works reduced however moving forward, the potential of the Council to improve sections of this route will be dependent on future budgets.

It is envisaged that there would be revenue and capital cost savings to Argyll and Bute Council associated with the potential transfer of the A83. The level of savings would be dependent on future budgets however using 2012/13 figures as an example, total capital and revenue spend on this route was in excess of £1.1m. Future maintenance arrangements will require to be agreed between the Council, Transport Scotland and BEAR following confirmation if the route will be trunked and there could also be opportunities for infrastructure such as depots and vehicles to be shared. Any future revenue cost savings to the Council must also be considered against the associated reduction in GAE and General Capital Grant which will have implications for service delivery in other Council departments.

It is considered that the significant investment in the A83 in recent years and the frequent inspection of structures along this route will reduce the short term financial liability to whichever organisation is responsible for the maintenance of this route moving forward. Given strategic significance of this route it is considered that there is now a clear case for the trunking of the entirety of the A83 through to the New Quay Pier in Campbeltown.

5.0. STRATEGIC RISKS

The most significant risks identified are detailed in Table 5.1 below.

Table 5.1 Strategic Risks

Risk Description	Key Stakeholder	Probability	Impact	Response
Transfer of A83 would result in an isolated local road network in Kintyre	Argyll and Bute Council	High	Low	Initial discussions have taken place with Transport Scotland regarding future responsibilities for maintenance of the A83 in Kintyre. The Council have other isolated local networks e.g. Appin and these are managed effectively.
£449k total reduction in GAE	Argyll and Bute Council	High	Medium	The reduction in GAE must be considered against potential cost savings associated with transferring the asset to Transport Scotland. Consideration also needs to be given to the repayments/loan charges for the capital investment on the A83.
The trunking of the A83 will result in a reduction of approximately £100,000 in the amount of General Capital Grant allocated to the Council as the distribution methodology includes road length as one of the distribution factors	Argyll and Bute Council	High	High	A83 is a priority route therefore the Council's average capital spend on this route has exceeded £100,000.

<p>Loss of control in relation to future development aspirations, winter maintenance, prioritisation of repairs and future road improvement schemes.</p>	<p>Argyll and Bute Council</p>	<p>High</p>	<p>High</p>	<p>Winter maintenance arrangements would be determined by Transport Scotland. The Council could potentially continue to undertake winter maintenance on a contract basis, however loss of control is undoubtedly a risk. Recent co-operation between the Council and Transport Scotland with regard to the severe winter weather in Kintyre is an example of good practise which would continue. Planning Authorities must consult Transport Scotland as a statutory planning consultee before granting planning permission for developments which are likely to have an impact on the trunk road. The A83 is key to future development aspirations such as the Machrihanish masterplan (MACC site), aquaculture and future renewable energy developments in Kintyre.</p>
<p>Transport Scotland will require to approve new access junctions on the trunk road network and they work to the standards set out in the DMRB. DMRB compliant junctions can be expensive to construct and</p>	<p>Argyll and Bute Council</p>	<p>High</p>	<p>Medium</p>	<p>Discussions with Transport Scotland will be required at the planning/scoping stage of developments to agree infrastructure requirements that should enable safe access to and from the trunk road network. Access requirements should be agreed at an early stage</p>

difficult to accommodate on the local road network e.g. narrow carriageways and third party land.				to avoid delaying development proposals. Safety audits could be used to justify departures from DMRB standards where this is deemed acceptable
Loss of control in relation to TRO's, speed limits and pedestrian facilities e.g. crossing points.	Argyll and Bute Council	High	Medium	This will reduce the Council's ability to react to local requests such as amendments to local TRO's e.g. the communities of Tarbert and Ardrishaig have been lobbying Transport Scotland's/Transerv to introduce pedestrian crossing facilities on the A83.
Potential TUPE of Staff	Transport Scotland	Low	Low	The requirement for this would require to be determined at a later date following negotiations with staff/unions. TUPE may or may not apply but has not been factored into the business case.
Discussions are required between the Council and Transport Scotland regarding responsibility for and future maintenance of the retaining Harbour Wall on Hall Street between the New and Old Quay	Transport Scotland	High	Low	This structure is currently maintained by the Councils Piers and Harbours Section and forms part of the route to be potentially trunked. Future responsibility for maintenance of this structure requires to be determined.

6.0 OPTIONS APPRAISAL

6.1 Introduction

This chapter sets out the appraisal of the two principal options that have been identified as follows:-

- **Option 1** – form part of the trunk road network, and the responsibility for its management and maintenance transfer to the Scottish Ministers;
- **Option 2** – remain a ‘local road’ and the responsibility for its management and maintenance remain with Argyll and Bute Council.

6.2 Options Appraisal

6.2.1 Environment

There would be minimal additional environmental impacts associated with either option. The key impacts with regards to the environment would be flooding and known flooding locations have been collated by Roads Design and ranked in priority of need. These findings are presented in Appendix 1, Table 5 and it should be noted that to date, none of these schemes have been processed for any treatment or works. There could be increased levels of air/noise pollution associated with additional traffic movements on the A83 corridor if the predicted expansion in the renewable energy, tourism and whisky industries is realised. It is not however, considered that either option 1 or 2 would greatly exacerbate this risk.

6.2.2 Safety

A summary of accident statistics along this route over the last 5 years is presented in Table 6.1 below. It should be noted that the Council’s accident database can be subject to discrepancies.

Table 6.1: Accident Statistics A83

	2008	2009	2010	2011	2012	Total
Fatal	1	0	0	0	0	1
Serious	3	2	1	2	1	9
Slight	7	5	6	6	7	31
Damage	15	20	18	19	18	90
Total	26	27	25	27	26	131

*Data obtained from Argyll and Bute Council’s KeyAccident Database

Analysis of the accident data highlights that there have been no fatal accidents on this route since 2008 and an average of 2 serious accidents per annum over the last 5 years. A full accident report is presented in Appendix 2.

It is not considered that either option 1 or 2 would achieve significant improvements in road safety. Interrogation of the Council’s KeyAccident database and SCRIM data has confirmed that there are no significant safety concerns along this route requiring immediate action. Transport Scotland have greater resources available and, as such, it is considered that Option 1 offers greater potential for future investment in

improving/upgrading the road network which could result in associated safety improvements.

6.2.3 Economy/Affordability

Option 1- There would be revenue and capital cost savings to Argyll and Bute Council associated with the transfer of the A83 however, the level of savings would be dependent on future budgets. The Council's capital and revenue spend exceeded £1.1m in 2012/13 and to date capital works totalling £395,000 have been programmed for 2013/14. It is considered that the significant investment in the A83 in recent years and the frequent inspection of structures along this route will reduce the short term financial liability to whichever organisation is responsible for the maintenance of this route moving forward.

There could be other cost savings associated with the potential shared use of depots and vehicles however, future maintenance arrangements still require to be confirmed. Future revenue savings to the Council must also be considered against the potential reduction in GAE thought to be in the region of £449k, and this will have implications for service delivery in other Council departments. The trunking of the A83 will also result in a reduction of approximately £100,000 in the amount of General Capital Grant allocated to the Council as the distribution methodology includes road length as one of the distribution factors.

Option 2 – Under the existing scenario the Council will continue to be responsible for capital and revenue costs associated with maintenance and future upgrade/improvement schemes on the A83. Moving forward, investment in the route and the ability of the Council to meet the required response times and performance set out within their RAMP will be dependent on future budgets.

6.2.4 Integration

Option 1- Would result in continuous trunk road links between the Central Belt and Campbeltown including connections to local public transport services such as ferry services from Kennacraig and Campbeltown and air services operating to and from Campbeltown Airport which are all already under the operation of Transport Scotland.

A potential risk of option 1 would be the creation of remote and less integrated local road networks in the towns and villages in Kintyre however, the Council have successfully managed other remote road networks such as Appin. This risk would also be mitigated against through effective planning/management by the Council's Roads Service, Transport Scotland and BEAR.

Option 2 – The existing local road network would be maintained however, this option does not take account of recent strategic developments in Kintyre and would not realise the opportunity to link the ferry and air services under the control of Transport Scotland.

6.2.5 Accessibility and Social Inclusion

Option 1 - The A83 is the key transport artery in Kintyre providing connections to Campbeltown and a number of surrounding remote villages. This is consistent with the key functions of a trunk road as set out in section 4.2. The A83 also provides

connections to the ferry terminals at Kennacraig, Cloanaig and Tayinloan from which lifeline ferry services operate to the islands of Islay, Gigha and Arran. The Scottish Ferries Plan 2012 – 2022 sets out a clear commitment to retain these vital ferry services in order to sustain Argyll's remote island communities and if the A83 was to be given trunk road status this would further re-affirm the Scottish Government's commitment to the communities of Kintyre/the islands.

Option 2 – It is considered that the existing arrangements where the trunk road network terminates at Kennacraig do not recognise the national economic potential of Kintyre or recent commitments by the Scottish Government to retain ferry services in Kintyre and pilot a new service between Campbeltown and Ardrossan.

6.2.6 Public Support

Option 1 - Local communities along the A83 corridor have been frustrated by Transport Scotland's reluctance to improve pedestrian crossing facilities in local town centres. An example of this is Ardrishaig and Tarbert where the local Community Councils have been requesting that controlled crossing facilities are installed. Argyll and Bute Council have no jurisdiction over the A83 in Ardrishaig and Tarbert and, as such, are unable to upgrade crossing facilities for the benefit of local communities. The trunking of the A83 beyond Kennacraig would further reduce Argyll and Bute Council's ability to improve local facilities where a community requirement has been identified. Transport Scotland have greater financial resources than the Council and this would increase the potential to undertake targeted road improvements where the majority of road users would benefit.

Option 2 – Argyll and Bute Council would retain control over the A83 south of Kennacraig and would be able to undertake improvements based on the demands/requirements of local communities (funding dependent). There will however, be cost implications associated with this e.g. on-going maintenance and capital costs. It should also be noted that the Council received 96 roads related complaints in the last six months and this could hopefully be improved if the Council's road network is reduced in size. This will however, also be dependent on future budgets and the ability of the Council to meet the maintenance targets set in the RAMP and react to damage on the network.

6.2.7 Value for Money

Option 1 – There would be capital and revenue cost savings to the Council associated with transferring responsibility for the A83 and reducing the size of its local road network however, there will also be implications resulting from a reduction in GAE and General Capital Grant which will affect service provision in other Council departments. There may be economic benefits by linking the A83 strategically to ferry and air services already under the control of Transport Scotland e.g. improved road signage.

Option 2 – Delivers no cost savings to the Council and there will be future revenue and capital costs associated with on-going maintenance and future road improvement schemes. This option would however, result in GAE being maintained at existing levels.

6.2.8 Options Appraisal Summary

In summary, Option 1 is considered to be affordable and could feasibly be delivered although there are risks to the Council associated with the loss of control along the A83 corridor and a reduction in GAE and General Capital Grant. Kintyre is an area with significant economic potential and the A83 is key given that it is the major transport artery in the area. It is considered that the significant investment in the A83 in recent years and the frequent inspection of structures along this route will reduce the short term financial liability to whichever organisation is responsible for the maintenance of this route moving forward.

The A83 south of Kennacraig is therefore consistent with the key functions of a strategic road network being a key transport artery which provides links between Kintyre and the Central belt. Transport Scotland already have the remit for strategic transportation services in Kintyre e.g. air services at Campbeltown airport and ferry services from Tayinloan, Cloanaig and Campbeltown and trunking the A83 would enhance these services by linking them strategically under one body. In recognition of the above and the strategic significance of Kintyre with regard to the Scottish Governments economic and renewable energy targets, there is now a clear case for the trunking of the A83 through to the New Quay Pier in Campbeltown.

7.0 KEY FINDINGS AND RECOMMENDATIONS

7.1 Introduction

The Kintyre Peninsula has attracted significant investment in the renewable energy, manufacturing, tourism and other business sectors in recent years and this area also has important lifeline and strategic transport connections to the Central Belt and some of Argyll's remote island communities. The Scottish Government have set out a commitment to enter into discussions with Argyll and Bute Council regarding the case for trunking the A83 between Campbeltown and Kennacraig and this business case has been undertaken to determine the affordability, deliverability and risks associated with these proposals.

The Council has invested in and maintained the integrity of the section of the A83 for which it has been responsible. However, given the increased strategic significance of this route and the challenges facing local government finance, there is now a clear case for the adoption of the entirety of the A83 through to the New Quay Pier in Campbeltown. By trunking the road south of Kennacraig, its strategic importance and profile will be promoted, as will the case for investment in coming years; thereby lessening the risk of deterioration to this nationally significant asset and increasing the probability that investment mirrors its strategic importance.

7.2 Policy Fit

This business case takes cognisance of key national, local and regional transportation and economic development policy goals and the proposals have been shown to be consistent with the key visions and outcomes set out in the following documents:-

- Scottish Government Economic Strategy;
- Hitrans Regional Transport Strategy;
- Argyll and Bute Council Local Transport Strategy;
- Argyll and Bute Council Economic Development Action Plan

Kintyre is strategically significant with regards to the Scottish Governments renewable energy targets, growth in the whisky and tourism sectors and the lifeline and strategic public transport services which provide connections to local islands and the Central Belt. The A83 is key to the continued development of Kintyre as this is the major transport artery in the region and following the introduction of the new ferry service linking Campbeltown and Ardrossan the A83 will also provide a secondary route between Argyll / West Highlands and the Central belt. This is significant as the Campbeltown to Ardrossan ferry service will provide resilience in the event of emergency and planned road closures on the wider trunk road network which have significant adverse impacts on the economy of Argyll. The A83 is vital to the continued and future success of ferry and other public transport services in Kintyre as this is the principal access route for passengers and vehicular traffic. This is a key factor which warrants consideration of the trunk road being extended south of Kennacraig to Campbeltown.

7.3 Affordability

The proposals are considered to be affordable and there would likely be revenue and capital cost savings to Argyll and Bute Council associated with the transfer of the A83. Although the exact level of savings will be dependent on future budgets it should be noted that the Council's capital and revenue spend exceeded £1.1m in 2012/13 and to date capital works totalling £395,000 have been programmed for 2013/14. There could be other cost savings associated with the potential shared use of depots and vehicles however, future maintenance arrangements would require to be confirmed following confirmation if the route will be trunked or remain within Council control. The council have invested significant funds maintaining and improving this route and structures have been regularly inspected and it is considered that this would reduce the financial liability to Transport Scotland if the A83 is trunked south of Kennacraig. Future revenue savings to the Council must also be considered against the potential reduction in GAE thought to be in the region of £449k and reduction in General Capital Grant of approximately £100k which will have implications for service delivery in other Council departments.

7.4 Deliverability/Risks

The key risks associated with the proposals are considered to be the reduction in GAE and loss of control with respect to future development aspirations, winter maintenance, prioritisation of repairs and future road improvement schemes along the A83 corridor. Kintyre is an area with significant economic potential and it is vital that appropriate and sustainable growth in the tourism, business and renewable energy sectors is not threatened by overly onerous planning/development regulations. It is however, considered that many of the risks identified will be mitigated through effective management and continued dialogue and cooperation between the Council, Transport Scotland and BEAR Scotland.

7.5 Recommendations

This business case has found that the A83 south of Kennacraig is consistent with the key functions of a strategic road network. The route is a key transport artery providing links between Kintyre and the Central belt and it is also a significant freight route. Kintyre is an area of national significance with regard to the Scottish Government's renewable energy targets and key business sectors associated with the manufacturing, aquaculture, whisky and tourism industries. In addition, Kintyre has numerous ferry ports and Campbeltown Airport which provide connections to the Central Belt, and local islands and in the longer term Northern Ireland. The A83 is key to the continued development of Kintyre being the major transport artery in the area and it is considered that there are economic benefits associated by strategically linking the transport services in Kintyre already under the control of Transport Scotland. Trunking the A83 between Kennacraig and Campbeltown transfers the risk associated with this strategic route from the Council to Transport Scotland. Furthermore, the Council's investment over the last 2 financial years has exceeded the Grant Aided Expenditure (GAE) and General Capital Grant received by the Council. The proposals are deemed to be affordable and deliverable and many of the key risks identified can be mitigated through effective management and on-going dialogue and cooperation between the Council, Transport Scotland and BEAR. In order to best secure the future of this strategically important asset and promote the case for future investment in coming years, trunking is considered to be the preferred option.