

## Members' Library Service Request Form

Date of Document	06/08/13
Originator	Gary Fenwick
Originator's Ref (if any)	GF/CC
Document Title	Proposed Upgrade of Traveller's Facilities at Old Dalkeith Colliery, Whitecraig

Please indicate if access to the document is to be “unrestricted” or “restricted”, with regard to the terms of the Local Government (Access to Information) Act 1985.

Unrestricted	<input checked="" type="checkbox"/>	Restricted	<input type="checkbox"/>
--------------	-------------------------------------	------------	--------------------------

If the document is “restricted”, please state on what grounds (click on grey area for drop-down menu):

For Publication
-----------------

Please indicate which committee this document should be recorded into (click on grey area for drop-down menu):

Cabinet
---------

Additional information:

Authorised By	Monica Patterson
Designation	Depute Chief Executive
Date	19/08/13

For Office Use Only:	
Library Reference	183/13
Date Received	22/08/13
Bulletin	Aug 13

**REPORT TO:** Members' Library Service

**MEETING DATE:**

**BY:** Depute Chief Executive (Partnership and Services for Communities)

**SUBJECT:** Proposed Upgrade of Traveller's Facilities at Old Dalkeith Colliery, Whitecraig

---

## **1 PURPOSE**

- 1.1 To note the decision to award the contract for the Proposed Upgrade of Traveller's Facilities at Old Dalkeith Colliery, Whitecraig, to Messrs Morris & Spottiswood, Glasgow.

## **2 RECOMMENDATIONS**

- 2.1 Cabinet is asked to note the decision of the Executive Director (Services for Communities) (per the Head of Housing & Environment) as appointed representative under Standing Order Rule 46 and delegation Appendix 2a (Tenders) Scheme of Delegation Appendix 2 thereto and after consultation with the Provost and the Head of Council Resources to accept Messrs Morris & Spottiswood's tender amounting to £471,597.35 after checking, correction and adjustment and noting that it is open for consideration until 3 October 2013 for the Proposed Upgrade of Traveller's Facilities at Old Dalkeith Colliery, Whitecraig.

## **3 BACKGROUND**

- 3.1 East and Midlothian Councils jointly manage a Gypsy Travellers Site at Old Dalkeith Colliery, Whitecraig. The site was first established in 1992. The condition of the site has been in decline for some time, particularly the amenity blocks which residents use for laundry, bathing and food storage/preparation. Site occupancy has been low for a number of years (typically below 50%) with site conditions considered a significant factor in this.

Following extensive consultation with site residents a bid was submitted to the Scottish Government for grant funding to carry out essential improvement works. Funding of £490,000 was awarded in 2009. The aim of the

improvements was to create a desirable, effective and sustainable site offering a decent and safe environment for the Gypsy Traveller community. Works include upgrading the amenity blocks, provision of a new site office and community space (providing facilities for visits from education and health services), improving the pitch surfaces and improving the children's play park.

At the time funding was awarded only 4 years remained on the lease held with the landowner. This was not considered sufficient to demonstrate value for money in improving the site and it was not possible to obtain guarantees that the lease would be extended. Work was, therefore, delayed to enable officers to progress options to agree a new lease or find an alternative site location. In 2011 a portion of the funding was clawed back by the Scottish Government as work had not commenced.

The Council has now been able to agree a further 21 year lease with the landowner; the lease includes landlord break clauses at 7, 10 and 15 years. The final agreed scope of works following a savings exercise (see 3.2 below) will provide 8 new amenity units which meet the core aims to improving space and insulation standards but can be moved in the event of early termination of the lease. A further 8 units, which have recently had minor upgrades to kitchens and doors and are currently of a higher than average standard, will have insulation upgraded. A new office/community facility will also be provided along with improvements to the pitch surfaces and the road. Play equipment sourced from Haddington Infants School was installed in December 2012.

The Scottish Government has provided comfort that the new plans meet the requirements of the grant but require the money to be spent in this financial year or the remaining grant award will be reclaimed. The proposed works are considered essential to ensure residents are provided with safe and suitable accommodation.

- 3.2 Tender Documents were issued to the five undernoted Lot 2 Framework Contractors who agreed to tender and the following offers were duly received. This tender was for all works as detailed in 3.1 above and in addition included 4 No. further new amenity units (12 in total) as it was deemed prudent to take the opportunity to test the market in relation to the available budget at the time.

The values of the returned tenders were in excess of the available project budget, therefore, a savings exercise was carried out based on the 8 unit scheme as detailed above in lieu of the 12 unit scheme originally tendered and the final revised tender amounts are indicated overleaf:

Ref	Contractor	Tender Amount Before Checking & Adjustment	Tender Amount After Checking & Adjustment	Lowest Checked & Adjusted Tender Amount
1	Morris & Spottiswood Ltd Glasgow	£590,545.57	£471,597.35	<u>£471,597.35</u>
2	Clark Contracts Ltd, Paisley	£637,926.58	£497,644.38	
3	Hadden Construction Ltd Auchterarder	£648,347.36	£513,865.81	
4	T & A Kernoghan Ltd Co Antrim	£727,700.00	Unchecked	
5	Gordon Guthrie Contracts Edinburgh	No Tender Returned		

3.3 As indicated at 3.2 Messrs Morris & Spottiswood's tender amounting to £471,597.35 after detailed checking, correction and adjustment remains the lowest of the offers submitted and has been competitively priced throughout.

3.4 Messrs Morris & Spottiswood have indicated that they propose to use the following Sub-Contractors:

- Builderwork - Crummock (Scotland) Ltd, Bonnyrigg
- Modular Buildings - Portakabin (Paton Plant Ltd), Hamilton
- Design & Build

3.5 The Contract is prepared on a firm price basis in terms of the Standard Building Contract with Quantities, Contractor's Design Portion Building Contract for use in Scotland 2011 Edition (SBC/Q/Scot) issued by the Scottish Building Contract Committee.

3.6 The Contractor has undertaken to carry out the works within 16 working weeks.

### **Community Benefits in Procurement (CBP)**

- 3.7 Messrs Morris & Spottiswood have submitted with their Tender the following Community Benefits proposal:

One extended work placement of 10 weeks for a school pupil from an East Lothian School.

This satisfied the requirements for this project.

#### **4 POLICY IMPLICATIONS**

- 4.1 None.

#### **5 EQUALITIES IMPACT ASSESSMENT**

- 5.1 This Report is not applicable to the wellbeing of equalities groups and an Equalities Impact Assessment is not required.

#### **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – The total budget for the work is £492,000. The reduced Scottish Government grant of £369,000 is made available to fund up to 75% of the overall works with the remaining £123,000 being split equally between East and Midlothian Councils.

East Lothian Council approved a small amount of spend towards these works in 2012/2013 (£6,761) with the remaining funding of £54,739 budgeted for within Housing Strategy & Development's 2013/2014 budget.

The costs are as follows:

Lowest checked, corrected and adjusted Tender	£471,597.35
CCTV Drainage Survey and Repair	£ 1,327.00
Topographical Survey	£ 400.00
Building Warrant and Planning Fees	£ 4,216.00
External CDM Co-ordinator's Fee	£ 785.00
Transporting, storing and returning white goods	£ 1,200.00
Work to Playground	£ 1,098.00
Final works to be agreed with residents following completion of main contract. This may include landscaping, CCTV and additional play equipment	<u>£ 11,376.65</u>
<b>Total</b>	<b><u>£492,000.00</u></b>

The current maximum occupancy of the site is 20 pitches. In recent years occupancy levels have been below 50% with high void losses. As a result of the Scottish Government grant being reduced in 2011 it has not been possible to agree a programme of works to improve all 20 pitches therefore 16 pitches will be improved with the remaining 4 pitches demolished. While this will result in a reduction in the overall income the site is capable of generating, it is anticipated that this will have little or no impact on the net site income due to the current level of voids.

It should be noted that the proposed works are anticipated to improve the overall attractiveness of the site and will potentially result in higher occupancy levels. To date 3 households have expressed an interest in applying for a pitch once the improvements have been completed, this is in addition to the 9 residents currently on site. If this increase were to be realised, occupancy would be at its highest level for more than 5 years.

The terms of the new lease includes an increase in the rent charged by the landowner from £1,551 per annum to £7,000 per annum. The rent increase has been assessed as a reasonable market rate and applies from May 2013.

The current (2013/14) budgeted net cost of operating the site – after all income has been received from tenants and Midlothian Council– is £26,000. The new rent and amended pitch numbers is likely to see the net cost to the Council increasing to approximately £31,000. Over the next few months officers will carry out a review of the current pitch rents and service charges, to be taken forward by the Site Policy and Practice Group. This review will aim to report in time for 2014/15 budget deliberations.

6.2 Personnel – None.

6.3 Other – None.

## **7 BACKGROUND PAPERS**

7.1 None.

<b>AUTHOR'S NAME</b>	Richard Jennings
<b>DESIGNATION</b>	Head of Housing & Environment
<b>CONTACT INFO</b>	Gary Fenwick
<b>DATE</b>	6 August 2013