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**East Dunbartonshire Council**

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**COUNCIL** THURSDAY, 28 SEPTEMBER 2023

**REFERENCE:** EDC/007/23/FR

**LEAD OFFICER:** DEPUTE CHIEF EXECUTIVE

**CONTACT OFFICER:** FRASER ROBB, DEVELOPMENT AND INVESTMENT MANAGER,

**SUBJECT TITLE:** TWECHAR OUTDOOR PURSUITS CENTRE - STAGE 1 APPROVAL

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## **1.0 PURPOSE**

- 1.1** The purpose of this Report is to provide Elected Members with an update on progress to date in the development of the Twechar Outdoor Pursuits Centre project and to seek approval to progress into the next phase of the project.

## **2.0 RECOMMENDATIONS**

It is recommended that the Council:

- 2.1** instructs officers to proceed to the next phase of the project, including the development of detailed design proposals and completion of the construction tender for the works; and
- 2.2** on completion of the next phase of the project, instructs officers to bring a further Report to Council, providing an update on final design proposals, advising on the outcome of the construction tender exercise and the proposed construction timetable for the project.

**ANN DAVIE**  
**DEPUTE CHIEF EXECUTIVE**

### **3.0 BACKGROUND/MAIN ISSUES**

- 3.1** In February 2023, Officers provided an update to Council on the progress of the Twechar Regeneration Project, including a revision to the forecast budget costs to £2.852m (part-funded through £1.3m of Regeneration Capital Grant Funding) and on the on-going negotiation with a third-party land owner to acquire a small strip of land running through the development site (**Report ref: PNCA-23-23-AB Corporate Asset Management Plan & 30 Year Capital Plan**).
- 3.2** This Report provides an update on the Outdoor Pursuits Centre element of the project only, which will be funded through the General Services Capital Fund and Regeneration Capital Grant Funding. An update on the affordable housing element of the project, which will be funded through the Housing Revenue Account, will be provided to Council separately in December 2023.

#### **Project Scope, RIBA 3 Design Proposals and Affordability**

- 3.3** The project aims to remediate a strategically important vacant development site adjacent to the Forth and Clyde Canal in Twechar by creating an Outdoor Pursuits Centre, which will be leased to a third-party community operator, and through the development of affordable housing within the site. A masterplan approach has been adopted for the project, with shared infrastructure being employed to service both parts of the site and the design of each element developed in close co-ordination.
- 3.4** Since February 2023, Officers have successfully concluded the negotiation to acquire a strip of land held in third-party ownership and so have completed site assembly in full. Design development for the project has since progressed, including the completion of a full suite of pre-construction site surveys throughout the site.
- 3.5** An extract from the RIBA 3 design proposals is included at Appendix 1 of the Report and provides an overview of the proposed development footprint, including site layout, building position and external spaces.
- 3.6** The Council has appointed an independent Cost Consultant to provide cost advice and ensure the achievement of Best Value through the design, management and tendering of the project. At the end of RIBA Stage 2, the project cost plan estimates construction costs to be in the region of £2.75 million, with additional Council direct costs estimated in the region of £530,000, resulting in a total estimated project cost in the region of £3.28m, meaning the project in total is estimated to cost approximately £428,000 more than the currently approved budget. It should be noted that cost increases to date are not based on changes to the scope of the project itself but through feedback on current market prices, particularly for the Mechanical & Electrical systems needed by the building. The RIBA Stage 3 cost plan is currently under development.
- 3.7** Whilst the above costs represent as accurate a forecast of final costs as possible at this stage, as with all projects which have a period of design development still to be undertaken, there remains a risk of further change to these costs which may or may not materialise as the project develops. Notable risks which may have a cost impact on the project are noted at Section 3.12.

**3.8** Officers will continue to work closely with the project team to manage the further development of proposals in-line with the approved budget for the project. Final project costs will be subject to a full market testing process which will be undertaken on completion of RIBA Design Stage 4 and will be reported to Council later in the financial year.

### **Stakeholder Consultation and Statutory Consents**

**3.9** To date, officers have undertaken design workshops with representatives from the Twechar Community Action Group, key internal stakeholders and engaged in discussions with representatives from Scottish Canals.

**3.10** The Planning Application for the project was submitted in early September 2023 and is currently anticipated to be considered by Planning Board in December 2023.

**3.11** A marketing exercise was undertaken during the summer 2021 which concluded with the result of Twechar Community Action Group being the proposed tenant.

### **Notable Project Risks at RIBA Stage 3**

**3.12** Whilst the cost estimates outlined at 3.6 above represent as accurate a forecast of final costs as is possible at this stage in the process, as with all projects which have a period of design development still to be undertaken there remains a risk of further change to these costs which may or may not materialise as the project develops.

The following notable risks have been identified in relation to the Twechar Outdoor Pursuits Centre project at this stage:

<b>Risk</b>	<b>Mitigation / Comment</b>
Loss of Regeneration Capital Grant Funding	Project currently on programme to meet funding requirement of construction contract being signed by the end of financial year 23/24. On-going updates continue to be provided to Scottish Government on project progress.
Delays in securing new utility connections	Early engagement strategy undertaken with Scottish Water and Scottish Power and will continue to engage and advise of any proposed changes to water design and management strategy.
Delays or additional costs due to heritage context of site (adjacent to Canal / Antonine Wall)	Heritage Impact Assessment has been undertaken alongside regular engagement with Scottish Canals and Historic Environment Scotland. Both will be formally consulted through planning process.
Project affordability due to construction price inflation / volatility	Early engagement with supply chain for ongoing cost review. Potential to place orders in advance to secure pricing.

Delays or additional costs arising due to presence of historic mine workings	Full site investigation surveys undertaken alongside a Coal Mining Risk Assessment with additional recommend boreholes to be surveyed prior to works commencing.
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**3.13** Officers will continue to work closely with the project team to manage the development of proposals in-line with the approved budget for the project. A contingency sum has been budgeted for within the Council direct costs element of the budget to mitigate this where required. Final project costs will be subject to a full market testing process which will be undertaken on completion of RIBA Stage 4 and reported to Council later in the year, as described at 3.15 below. In-light of increasing borrowing costs and continuing inflationary pressures across the wider programme, any future assessment of project affordability, particularly where costs continue to be higher than approved budgets, will require to consider the overall affordability of the capital investment programme.

### **RIBA Stage 4 Design Development & Next Steps**

**3.14** Subject to approval of the Report, officers intend to commence the remainder of the pre-construction design process, including the development of detailed design proposals, staged Building Warrant applications and the construction tendering process.

**3.15** Ahead of the construction phase of the project commencing in full, there will be a requirement for the early approval of works orders to facilitate services connections for the development site, including water and mains power. A report seeking approval to enter into an agreement for these will be brought to Council in December 2023.

**3.16** A summary of next steps and key milestone dates for the construction phase is as follows:

Planning Application Submission	September 2023
Stage 1 Council Approval	28 <sup>th</sup> September 2023
RIBA Stage 4 Design Development	From October 2023 to November 2023
Construction Tender Period	From November 2023 to January 2024
Early Approval for Services Connections	December 2023
Stage 2 Council Report	February 2024
Outdoor Pursuits Centre Construction Period	From April 2024 to December 2024

**3.17** Regular progress updates on the project will be submitted to Council via the General Services Capital Monitoring Report for the duration of the project.

## **4.0 IMPLICATIONS**

The implications for the Council are as undernoted.

**4.1 Frontline Service to Customers** – Investment in the development of a new Outdoor Pursuits Centre will improve access to Canalside outdoor activities for residents of Twechar and the wider East Dunbartonshire area.

**4.2 Workforce (including any significant resource implications)** – none.

**4.3 Legal Implications** – The project is being procured via the Scape Scotland framework and as such appointments for design and survey work undertaken to date have been administered via the terms and conditions of the Scape Scotland Framework and their supply chain. The drafting and technical review of all appointments has been undertaken in collaboration between officers from both Legal Services and the Development & Investment Service.

**4.4 Financial Implications** – Capital Funding for the project has been allocated via the Council's approved 30 Year Capital Investment Programme. Scottish Government Regeneration Funding is also contributing towards the costs of the project. As outlined at Section 3.6 above, current cost pressures mean the project is anticipated to cost more than the current budget. A final cost for the project will be reported to Council (Stage 2 Report) later in the financial year. Should there remain a shortfall between project costs and available budget at that stage, there may be a requirement for additional capital funding in order to deliver the full scope of the project. In light of increasing borrowing costs and continuing inflationary pressures across the wider programme, any future assessment of project affordability, particularly where costs continue to be higher than approved budgets, will require to consider the overall affordability of the capital investment programme.

**4.5 Procurement** – The contracts recommended in this Report have been sourced in accordance with the Council's current Contract Standing Orders and the relevant procurement legislation and in conjunction with the Council's Procurement Service.

**4.6 ICT** – none.

**4.7 Corporate Assets** – Completion of the project will create a new asset which will be owned by the Council but managed and operated by a third-party.

**4.8 Equalities Implications** – none.

**4.9 Corporate Parenting** – none.

**4.10 Other** – In line with East Dunbartonshire Council's sustainability targets, the building is targeting an EPC A rating. This will be achieved through a 'fabric first' approach, ensuring that the building envelope is well insulated and has a low air permeability to prevent unwanted air infiltration. The building has been designed in such a way as to maximise natural daylighting and provide for natural ventilation during summer months. A mechanical ventilation with heat recovery (MVHR) system is proposed in addition to ensure excellent rates of indoor air quality whilst maximising heating efficiency by recovering heat from stale exhaust air and utilising it to pre-heat incoming fresh air. The building's energy strategy will continue to be developed with

consideration non-fossil fuel and renewable heating strategies alongside solar PV panel provision.

## **5.0 MANAGEMENT OF RISK**

The risks and control measures relating to this Report are as follows:-

- 5.1** Suitably qualified and appropriately experienced architects, engineers and cost consultants have led the development of design proposals for the project to date. Appropriate collateral warranties will be obtained in the Council's favour from key members of the design team.
- 5.2** RIBA Stage 3 costs are based on an open-book benchmarking process directed by a suitably qualified and appropriately experienced main contractor.
- 5.3** An independent project cost consultant has been appointed to ensure the final contract cost represents value for money.

## **6.0 IMPACT**

- 6.1 ECONOMIC GROWTH & RECOVERY** - Investment in the project represents a significant economic development opportunity for SMEs in East Dunbartonshire. The project requires the main contractor to actively engage with the local SME supply chain and will target a proportion of contract spend to be awarded to this level of business.
- 6.2 EMPLOYMENT & SKILLS** - Investment in the project represents a significant employment and skills development opportunity for people in the local area. The project requires the main contractor to actively engage with young people in particular and to offer graduate / apprenticeship employment opportunities and to engage with young people through skills workshops and activities within local schools.
- 6.3 CHILDREN & YOUNG PEOPLE** - The new Outdoor Pursuits Centre will improve access to the outdoors and Canalside activities for children and young people across East Dunbartonshire.
- 6.4 SAFER & STRONGER COMMUNITIES** – n/a.
- 6.5 ADULT HEALTH & WELLBEING** - The new Outdoor Pursuits Centre will improve access to the outdoors and Canalside activities for adults across East Dunbartonshire, making a positive contribution to the wellbeing agenda through a programme of events and activities.
- 6.6 OLDER ADULTS, VULNERABLE PEOPLE & CARERS** – n/a.
- 6.7 CLIMATE CHANGE** – n/a.
- 6.8 STATUTORY DUTY** – n/a.

## **7.0 POLICY CHECKLIST**

**7.1** This Report has been assessed against the Policy Development Checklist and has been classified as being an operational report and not a new policy or change to an existing policy document.

## **8.0 APPENDICES**

**8.1** Appendix 1 – RIBA Stage 3 Design Proposals