

The Highland Council

4 September 2014

Agenda Item	13
Report No	HC/21/14

Tain Common Good – Alexandra Bridge Refurbishment

Report by the Acting Head of Community & Democratic Engagement

Summary This report updates Members on the position in relation to the Alexandra Bridge, Tain. The report outlines the budget implications resulting from the higher than expected tenders submitted for refurbishment work and the work done to identify an improved funding package to allow the proposed bridge refurbishment work to proceed. Members are asked to approve increased contributions of £61,797 from the Capital Discretionary Fund and £23,906 from the Tain Common Good Fund which, along with agreed increased contributions from Historic Scotland and the local Ward Discretionary Budget, would allow the much needed refurbishment to go ahead.

1. Background

- 1.1 The Alexandra Bridge, built in 1902 of a metal and timber construction is held on the Tain Common Good Account. It is a Category B Listed structure and an important local bridge for a number of reasons. It provides a crossing of the River Tain at the convergence of three Core Paths and allows access to the foreshore to the east of Tain.
- 1.2 The bridge is well used but requires full refurbishment. It had to be closed in 2011 due to wear and tear and severe corrosion. Closure caused significant local concern and the number of walkers in the area visibly declined. Strengthening work carried out allowed it to be re-opened on a medium term basis to allow time to identify a funding package for full refurbishment but this is not a long term solution.
- 1.3 The total cost of refurbishment, including preparatory works, was expected to be approximately £200,000, based upon an engineer's report 'Feasibility of Repair and Refurbishment' by Allen Gordon & Co Ltd, March 2012. With the £200,000 funding package outlined below in place, preparatory works commenced leading to the agreed scheme being put out to tender early in 2014.
 - Council's Capital Discretionary Fund, 20% of project up to £40,000 (approved by FHR April 2013)
 - Historic Scotland (HS), 25% of what are deemed eligible costs up to

£50,000

- Tain Common Good Fund, £100,000 (approved by FHR April 2013).
- Ward Discretionary Budget, £5,000
- Tain Community Council, £5,000

2. Refurbishment Costs

- 2.1 Tenders for the proposed works were issued, and priced documents returned, in accordance with the Council's procurement procedures. However, tenders received were significantly in excess of the anticipated level.
- 2.2 Taking the most competitive of the tenders received, with all other costs in the project taken into account, and allowing a contingency, it was estimated that the total out-turn cost of the project would be £342,450. There was therefore a significant shortfall in available funding for the scheme and all tenderers were advised by letter that the proposed works would not go ahead in the immediate future due to insufficient funds being available.

3. Options Appraisal

- 3.1 A meeting was held with Historic Scotland to consider the way forward. Options explored were:
- a) Reduction of the scope of works. This option is not seen as viable as the works included are all essential and any reduction in grant-eligible works would in any case reduce the grant aid provided by Historic Scotland.
 - b) Alternative funding – enquiries were made to potential local sources (e.g. via the Scottish Community Foundation) but these were unsuccessful. An application had already been made to the Coastal Communities Fund when developing the original package but this was unsuccessful. An expression of interest was submitted the Heritage Lottery. This received a positive response but a full application is a complex 2 stage process which takes a significant amount of time. Historic Scotland could not hold their funding offer open and if it lapses there is no guarantee that a future application will succeed given levels of competition; this would therefore represent a significant risk and pursuit of Heritage Lottery Funding would mean the loss of agreed Historic Scotland funding due to timescales. Other funding sources considered include the Structural Funds programmes for 2014-2020 but the bridge project is very unlikely to meet the required eligibility criteria and the programmes are not open for calls before the first quarter of 2015. There is also a risk that any delay whilst seeking other funding could lead to an increase in construction costs if the work needed to be

retendered. This option is therefore not seen as viable.

- c) Filling the budget gap of approx. £142.5k. Historic Scotland have confirmed strong support for the work and agreed to increase the level of professional fees allowed as eligible, from 18% to 20% and the funding overall to 40% of eligible works costs. Based on the lowest tender, these changes would increase their contribution from £50,000 to £101,797 with a formal offer being made once the Council confirms a full funding package is in place and the works are to proceed. Whilst this still leaves a significant gap of just over £90,000 this option appears to present the best and most achievable way forward.

4. Recommended funding package

- 4.1 Given the costs and circumstances outlined, Members are asked to approve increased budget contributions from both the Capital Discretionary Fund and the Tain Common Good Fund, with this being supported by an increased Ward Discretionary Budget contribution.
- 4.2 It is proposed that the Capital Discretionary Fund contribution is increased to £101,797 to match the Historic Scotland contribution. As the Committee has already approved a contribution of up to £40,000 (FHR April 2013), this request would require the Committee's agreement for a further £61,797.
- 4.3 The Tain Common Good Fund has limited reserves, a number of responsibilities, and limited income. A budget and long-term financial strategy needs to be developed, however, initial work has been completed on a 4 year forecast and that has been used in preparation of this report. Based upon this, it is proposed to increase the Common Good Fund's contribution from the £100,000 approved at FHR in April 2013, to £123,906, an increase of £23,906.
- 4.4 At 31st March 2014, the Fund balance was £236,053. This balance reflects £59,321 already contributed to this project in 2013/14 plus £5,000 income contributed towards it from the Ward Discretionary Budget. It is estimated that the additional funding, and remaining commitment, will reduce the Fund Balance to £152,188. This is a material reduction in the size of the Fund and will impact on the development of a future strategy.
- 4.5 The table below shows the original and proposed revised contributions that, if approved, will allow the revised project cost to be fully met.

Source	Original Contribution	Revised Contribution
Historic Scotland	25% eligible costs to max £50,000	£101,797
Capital Discretionary	20% up to max £40,000	£101,797
Tain Common Good	£100,000	£123,906 (£64,000 already spent to date)
Ward Discretionary	£5,000	£10,000 (£5,000 already paid)
Tain Community Council	£5,000	£5,000
Total	£200,000 max	£342,500

5. Implications

- 5.1 Resource – the resource implications are included within the report.
- 5.2 Legal - there are no legal implications.
- 5.3 Equalities – there are no equalities implications.
- 5.4 Climate Change/ Carbon Clever – there are no climate change or carbon clever implications.
- 5.5 Gaelic – there are no Gaelic implications.
- 5.6 Rural – This project has positive rural implications. Alexandra Bridge is an important local attraction and supports both the local community and tourism in the area.
- 5.7 Risk – if the funding package is not put in place timeously there is a risk that the opportunity to obtain funding from Historic Scotland will be lost as noted in the report. If the work is not carried out there is a risk that the bridge will become dangerous again and have to be permanently closed. Past experience suggests that when the bridge is closed off some people will persist, despite warning notices and robust barriers, in breaking through barriers to use the bridge regardless. This can cause safety risks to these people and others who may believe the bridge has been intentionally opened and also additional expenditure to the Tain Common Good as it has to reinstate the barriers. There is also a level of risk that once works start to the base of the bridge towers underground additional work become necessary. However this risk is being managed in two ways; investigatory works were carried out as part of the preparation phase to inform the specification and tender and secondly the budget includes an amount for contingencies.

Recommendation

The Committee is invited to:

- a) approve additional contributions of £61,797 from the Capital Discretionary Fund and £23, 906 from the Tain Common Good Fund to enable the bridge refurbishment to be undertaken.

Designation: David Haas, Acting Head of Community and Democratic Engagement

Date: 26th August 2014

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Background papers:

Engineers report on Feasibility of repair and Refurbishment by Allen Gordon & Co Ltd, March 2012

Bridge Inspection Report by Allen Gordon & Co Ltd, April 2011