



COMHAIRLE NAN EILEAN SIAR

Minute of Meeting held in the Council Chamber, Council Offices, Stornoway, on Wednesday 3 April 2019 at 11.30am.

PRESENT

Mr Norman A MacDonald (Convener)
Mr Roddie Mackay (Leader)
Mr Calum Macmillan
Mr Donald Manford
Mr Paul Steele
Mr Roddy Mackay
Mr Iain M. Macleod
Mr Uisdean Robertson (By video link)
Mr Paul A. Finnegan
Mr John G Mitchell
Mr Angus Morrison
Mr Norman MacDonald
Mr Alasdair Macleod
Mr Finlay Stewart

Mr Keith Dodson
Mr Rae Mackenzie
Mr Angus McCormack
Mr Charlie Nicolson
Mr Iain M Macaulay
Mr Neil Mackay
Mr Donald F. Crichton
Mr John A Maciver
Mr Calum Maclean
Mr John Mackay
Mr Kenneth Macleod
Mr Kenny J Macleod

APOLOGIES

Mr Iain A. Macneil
Mr Finlay Cunningham

Mr Ranald Fraser
Mr Gordon Murray

OFFICERS IN ATTENDANCE

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Mr Malcolm Burr
Mr Robert Emmott
Mr Calum Iain Maciver
Mr Dan Macphail
Mrs Emma Macsween
Mr Iain Watson

Mr David Macleod
Mr Tom Paton
Mrs Dolina Macleod
Ms Peigi Ann Scott
Mr Derek Mackay
Ms Mairi Sine Macdonald

Prayer

The Meeting was preceded by prayer, led by Mr Calum Maclean

Declaration of Interest

1 There were no declarations of interest.

PROJECT DELIVERY

It was agreed that the public, including the press, be excluded from the meeting during consideration of the following item on the grounds that exempt information as defined in Paragraph 6, 8 & 9 of Schedule 7A to the Local Government (Scotland) Act 1973 namely: information relating to the financial or business affairs of any particular person (other than the Comhairle), the amount of any expenditure proposed to be incurred by the Comhairle under any particular contract for the acquisition of property or the supply of goods or services and any terms proposed or to be proposed by or to the Comhairle in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services would be disclosed.

Goathill Development: Procurement Strategy, Programme and Cost Update

2 The Director for Investment Delivery submitted a Report providing an update on the Goathill Development Project and seeking authorisation in relation to the Enabling Works Contract and approval of additional funding following tender submission. The Report provided information regarding the estimated overall development costs for the 74 housing units being delivered by Hebridean Housing Partnership (HHP) and the Care Home and Housing with Extra Care (HWEC) element and related site infrastructure.

The Report stated that the cost plan was the outcome of a comprehensive procurement exercise undertaken by the Contractor, McLaughlin and Harvey Ltd. and the tender cost data obtained confirmed prevailing market conditions, both locally and nationally, had significantly impacted tender prices. The Report stated that, while many packages came within the Stage Cost 3 Cost Plan, higher prices had been returned in some of the larger and higher value packages and this had impacted the overall Project cost.

The Report provided a breakdown of the current estimated cost of the Care Home and HWEC and proposals for funding the projected shortfall. In consideration of the key objectives and the costs of the Project, the Report proposed that the Comhairle award two contracts: an Enabling Works contract (April 2019-August 2019) and a Main Works contract (September 2019-February 2021). The 74 housing units were a separate tender by HHP and it was indicated that this was now the subject of a re-tendering exercise.

The Report indicated that the scrutiny and challenge of cost and value engineering associated particularly with the Enabling Works and civil engineering aspects of the Project had been the main focus of recent work following submission of the market tested cost plan and this process would continue in the short term. It was proposed to manage the funding shortfall as part of a fluid process with an element of risk and therefore contingent upon identifying Project savings and additional funding.

It was agreed that the Comhairle:

- (a) note the Report;**
- (b) approve the allocation of £400k from capital contingency funds towards the project and that any capital receipt arising from the project be allocated to the project budget; and**
- (c) authorise the Chief Executive, in consultation with the Director for Investment Delivery, to award an Enabling Works contract subject to further savings being made across the Care Home and HWEC elements, noting that proceeding with the Main Works contract was also contingent upon successfully implementing the funding strategy as outlined in Sections 6 and 7 of the Report.**