

EXMOOR NATIONAL PARK AUTHORITY**RESOURCES COMMITTEE – 5 March 2002****SIMONSBATH SAWMILL PROJECT****Report of the Head of Park Management****Purpose of Report:**

To describe recent progress with the Project and invite Members to agree to proceed with the restoration work and to adopt a revised budget.

Legal Implications:

No significant legal implications are anticipated except those relating to contract law.

Human Rights Act 1998 Implication:

No Human Rights Act implications are anticipated.

Financial Implications:

The report invites Members to agree a revised budget for the Project.

National Park Purposes:

The Project furthers all the purposes for which the National Park was designated and has been a long term aspiration of the Authority.

RECOMMENDATION:

It is recommended that Members :

- (i) NOTE progress with the Project and in particular that consent had been granted by the Environment Agency for the River Barle fishpass.
- (ii) AGREE the revised budget as outlined in the report
- (iii) AUTHORISE the National Park Officer to sign contracts in respect of the building renovation work and machinery and equipment restoration
- (iv) AUTHORISE the National Park Officer to submit applications to appropriate bodies for financial support for the Project.

1. INTRODUCTION

- 1.1 The Project to acquire and restore the historic, water-powered sawmills at Simonsbath is one of the most exciting and ambitious initiatives ever undertaken by the National Park Authority. It helps further all aspects of the National Park's purposes in an integrated and synergistic way and has significant social and economic benefits. The Project is also at the hub of the Authority's efforts towards sustainable countryside management and the promotion of renewable energy.
- 1.2 The Project has attracted a great deal of interest and support both locally and nationally. However it is technically challenging and, in view of its location and the range of agencies and organisations involved, has involved a great deal of detailed survey and design work as well as complex and often protracted negotiation.

- 1.3 A particular feature of the development of the Project has been the need to obtain a series of inter-linked approvals and consents. For example, the Project was dependent on attracting Heritage Lottery Fund support and this necessitated not only persuading the Fund's own specialist staff but also their external advisors, such as English Heritage which was initially concerned about some aspects of the proposal. The Heritage Lottery Fund eventually agreed to grant aid the Project but on condition that it did not start until an Abstraction Licence had been obtained from the Environment Agency. English Nature initially objected to our application for an Abstraction Licence but after further negotiations and amendments their objection was withdrawn.
- 1.4 The Abstraction Licence was eventually granted but only on condition that a separate formal consent was obtained for a fishpass on the River Barle weir. The National Fishpass Committee granted provisional consent at its meeting on 6 February 2002. This consent is 'provisional' in that the Environment Agency will monitor its effectiveness over a three-year period. If the pass works efficiently, final approval will be granted. The consent is conditional upon the submission of an inspection and maintenance plan detailing how the fishpass will be managed on a day to day basis.
- 1.5 The Authority also needs the Environment Agency's formal consent for the work that is necessary to repair the weirs, sluices and leats. An application was submitted at the same time as the Abstraction Licence applicant but has been held in abeyance by the Agency pending the decisions on that licence. Now that consent for the fish pass has been obtained the Agency will re-consider this application. The Agency is currently awaiting English Nature's views.

2. **RESTORATION WORK**

- 2.1 Meanwhile, the detailed design and specification work has continued but has inevitably been constrained by the consultation and consents programme outlined above. At the start of the project the National Park Authority recognised that it did not have in-house expertise in many of the fields necessary to progress a project of this kind (such as architectural design, quantity surveying, structural engineering, hydrology and specialist health and safety matters). It also did not have the staff resources to manage the Project without seriously compromising other priorities.
- 2.2 The Authority therefore resolved to appoint external Project Managers. Following a formal selection process, carried out by Members, the Authority resolved to appoint Louise Crossman Architects to manage the Project, including the preparation of specifications, the tendering process and the appointment of contractors. A Members' Steering Group was established to guide this process.
- 2.3 The Members Steering Group accepted the Project Managers' advice that, for the tendering process, the restoration work be split into two separate contracts – the renovation of the sawmill buildings; and the restoration of the water-power systems and sawmilling machinery. At the meeting of the Resources Committee on 22 May 2001 the National Park Officer updated Members on progress with the preparation of the detailed specifications for the tendering process and these were considered at a meeting of the Members Steering Group held on 31 May 2001.
- 2.4 The outcome of the tendering process was reported to the Members' Steering Group on 2 October 2001. A paper from Gates Partnership, the Project's Quantity Surveyors, detailing the outcome of the tendering process was considered. Five firms with the experience and expertise able to undertake this sort of work had been initially approached and three of these had quoted for the building restoration works. Two firms had quoted for the specialist water-power and sawmilling work. The lowest tender received for the renovation of the buildings was £242,255, which was £35,225 over the agreed budget figure of £207,000. The lowest tender figure for the water-power and sawmilling equipment was also over budget at £160,000 compared to the approved budget figure of £143,000.
- 2.5 The Project Managers had drawn attention to the fact that the budget set by the National Park Authority, and agreed by the Heritage Lottery Fund, was based on 1997/98 prices. No allowance had been made for inflation, which had averaged 8 – 10% per annum in the construction industry over the intervening period. They had also pointed out that the Project is also particularly complex and there were some aspects for which it would be difficult to quote accurately. Members accepted their advice

that they should negotiate further with the tenderers and agreed that a revised bid be made to the Heritage Lottery Fund.

- 2.6 At the meeting of the Members' Steering Group held on 4 December 2002 the Project Managers reported the outcome of their further negotiations. The building renovation costs were more easily quantifiable and, while negotiations were continuing, they considered that the quote from the lowest of the tenderers – Bluestone (formerly Stansells) - was likely to be close to the final figure. There was some scope for manoeuvre within the proposed contract and, as the contractors could make an early start, they recommended that the Authority proceed with this firm.
- 2.7 Establishing exact prices for the sawmilling and associated machinery was more difficult, but Mrs Crossman recommended that the Authority awards a contract to the lowest tenderer – Alex Gannon Metalwork of Luxborough.
- 2.8 The overall effect of accepting these tenders and consequent adjustments to the original budget are that the total budget for the Project would rise by £19,590 (4%) from the agreed figure of £478,259 to £497,849. The Heritage Lottery Fund has offered 70% grant towards the cost of the Project (less the sunk funds of £21,812). If they agree to an increase, their contribution would rise from an agreed £336,837 to £348,495 an increase of £11,658 (3.5%). The balance of 30% - £127,542 - to be found by the National Park Authority is currently represented by £53,750 in reserves, plus £25,000 from the 2001/2002 budget, £25,000 from the 2002/03 budget and £7,000 in 'in kind' contribution. This leaves £9,792 to be found by savings in the revised budget (which includes, for example, £15,000 for contingencies).
- 2.9 These figures, however, assume that the Authority is unsuccessful in attracting financial support from other bodies. The Rural Development Commission contributed 10% towards the cost of acquiring the sawmill and offered in principle support for the restoration. The possibility of a revised application being made to the Commission's successor body, the Regional Development Agency is currently under discussion. An application for Objective 2 funding is also under consideration. A number of applications have also been made to charitable bodies.

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Head of Park Management
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