

Members' Library Service Request Form

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Document Title	Gullane Day Centre and Medical Centre Facility

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Additional information:

Authorised By	Alex Mccrorie
Designation	Executive Dir - Support Services
Date	22/11/12

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REPORT TO: Members' Library Service

MEETING DATE:

BY: Executive Director (Support Services)

SUBJECT: Gullane Day Centre and Medical Centre Facility

1. PURPOSE

- 1.1 To provide an update on progress with the development of a Joint Day and Medical Centre Facility at Hamilton Road, Gullane.
- 1.2 To note the decision to award the contract for the Stage 2 Works for the construction of the new facility to hub South East Scotland Ltd to enable construction works to commence in January 2013.

2. RECOMMENDATIONS

- 2.1 Members should note the update to the December 2011 decision of the Chief Executive (per the Head of Community Housing and Property Management) as appointed representative under Standing Order 46 and delegation Appendix 2a (Tenders) thereto and after consultation with the Provost, the Executive Director (Support Services) and the Head of Council Resources, to approve hub South East Scotland Ltd Stage 2 submission dated 13 December 2011, to construct a new Joint Day Centre and Medical Centre in the revised sum of £2,929,967.00 after checking and negotiation and noting that it is open for consideration until 14 December 2012 with the expectation that a contract will be finalized with hub South East Scotland Ltd as soon as practicable thereafter. The contract for these works will incorporate the hub South East Scotland Stage 2 Approval Submission dated 13 December 2011, together with Appendices A – N and will be governed by the hub Design and Build Development Agreement incorporating the Template Contract and Schedules which details the contract documents, obligations and processes.
- 2.2 The sum of £2,929,967.00 is the Predicted Maximum Cost for the works and is an increase of £12,000 over the previously approved sum of £2,917,967.00. This takes account of agreed restricted increases in material and labour costs since the original Stage 2 submission in December 2011.
- 2.3 Approval of the hub South East Scotland Ltd revised Stage 2 submission dated 13 December 2011 (with updated price on 8 November 2012) by 14 December 2012 will allow a Contract Award to be made as soon as practicable thereafter to ensure that the programme for the implementation of

the Works can be met and the completion of the new Joint Facility can be achieved by the 11 November 2013

- 2.4 The Predicted Maximum Cost of £2,929,967.00 includes all development costs and professional fees and is set out in detail in Section 6, Resources.

3. BACKGROUND

- 3.1. The proposed new Gullane Day and Medical Centre facility replaces two separate existing facilities - the East Lothian Council Day Centre and the NHS Medical Centre: both facilities are no longer fit for purpose. The new Joint Day and Medical Facility is being procured through hub South East Scotland Ltd. which is a requirement of the Scottish Futures Trust Programme grant of £1,025,000.00 towards the construction of a new facility combining Gullane Medical Centre and Gullane Day Centre on the Hamilton Road site.
- 3.2. The design proposals for the new Joint Facility have been developed in close consultation with the NHS and Gullane Medical practice, Council and Day Centre Management representatives and the design of the facility reflects the unique nature of the co-located centres.
- 3.3. If required, £4.025M funding for the project is in place with costs to be shared between East Lothian Council (£1M), NHS (£2M) and the Scottish Futures Trust (£1.025M). The Stage 2 Submission provides detailed information relating to Project Costs, Value for Money Assessment and Benchmark information comparing the cost of the Gullane project with Hub new build Health Centre comparators. Tender Documents were issued by Hubco to their supply chain contractors and the Predicted Maximum Cost is based upon their tendering of over 90% of the work packages.
- 3.4. A summary of the updated Project Costs is included. This includes all project costs. The total construction value is estimated to be £2,929,967.00. The Council has concluded the purchase of the former path which has caused a delay to the project, and the title documentation is currently with the Registers of Scotland for registration. The costs associated with the acquisition of the former path are included in the summary.
- 3.5. The facility will be owned by East Lothian Council who will enter into an agreement with the Medical Centre and the NHS regarding future maintenance and operation of the facility, taking into account the capital funding contribution of the NHS. At the time of this report, negotiations on the details of the lease are close to being agreed.

4. POLICY IMPLICATIONS

- 4.1 None

5. EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well-being of equalities groups and an Equalities Impact Assessment is not required.

6. RESOURCE IMPLICATIONS

- 6.1 Financial – The total expenditure for this Work will not exceed £2,929,967.00 with the Council's share not exceeding £1,000,000 which will be contained within the East Lothian Council budget allocated for the new Day Centre, Gullane project in the Council's approved Capital Investment Plan and has been approved by the Executive (Services for Communities) and the Head of Council Resources.

The Stage 2 submission of costs from hub South East Scotland Ltd. provides a firm price for the works and will require to be approved by the Council by 14 December 2012 in order to meet the programme timescales for overall completion of the facility by November 2013.

The updated Stage 2 Project Costs are summarised below:

Hubco Stage 2 Construction Project Cost	£2,929,967.00
Purchase of Woodbrae Cottage (complete)	£335,000.00
Relocation of the Tennis Courts (complete)	<u>£173,746.00</u>
Total ELC / NHS Project Costs	£3,438,713.00

Hub S.E. Territory Project enabling Fund grant	£1,025,000.00
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Project costs are shared pro-rata based upon relative building floor areas.

ELC share of Construction Project Cost	£937,212.51
Less share of Hub grant (27%) - deduct	<u>£276,750.00</u>
ELC share of balance of Construction Project Cost	<u>£660,462.51</u>

This sum includes an amount of approximately £84,267 for Architectural Professional fees which will be paid by Hubco to East Lothian Council.

Add

ELC Loose Furniture, fittings and IT installation	£80,000.00
ELC Total Project Cost	<u>£740,462.51</u>

Add

Purchase of Former Path including fees	£108,110.60
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Total East Lothian Council Costs	<u>£848,573.11</u>
<i>NHS share of Construction Project Cost</i>	<i>£2,501,500.49</i>
<i>Less share of Hub grant (73%) - deduct</i>	<i><u>£748,250.00</u></i>
<i>NHS share of balance of Construction Project Cost</i>	<i><u>£1,573,250.49</u></i>

6.2 Personnel – None

6.3 Other – None

7. BACKGROUND PAPERS

7.1 Report to Executive Director of Corporate resources on 30 May 2011: Gullane Day and Medical Centre – Stage 1 Report

7.2 Report to Members’ Library, authorized by the Executive Director of Community Services, dated 22 December 2011: Gullane Day and Medical Centre Facility.

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DATE	20 November 2012