

**6. Cattle Market Makers Project Update** – a). To note the holding of the first meeting of the Cattle Market Makers Project Board 21<sup>st</sup> September 2021. b). To receive an update on the recruit process and confirm the recommendations. c). To receive the update on the capital project and approve the recommendations arising. d). To note and accept the amended grant offer letters.

**Attachments: 6a. CMM board meeting notes 21.9.21, 6di. CLLD ERDF Grant offer, 6dii. Match Fund Grant offer**

**a). To note the holding of the first meeting of the Cattle Market Makers Project Board 21<sup>st</sup> September 2021** – notes attached

**b). To receive an update on the recruit process and confirm the recommendations**

On Tuesday 21 September, the Mayor, the Town Clerk and RFO & Deputy Town Clerk interviewed candidates for the Cattle Market Makers project.

The Project Manger role has been offered to, and accepted by, Alec Charles. Alec has recently relocated to Liskeard, and has a strong background in arts and media, currently working as the Dean of Arts at the University of Winchester. He has extensive experience in project management, including grant funded projects, together with business support. He needs to give two months' notice to his current employer, but can work flexibly during that time, so may be available to begin involvement on some aspects of the project ahead of that, and will be attending the next board meeting on Wednesday 20 October.

**c). To receive the update on the capital project and approve the recommendations arising.**

**Result of the Use of the Minor Works Framework route**

One company from the minor works framework submitted a bid which was significantly over the budget and beyond the level for negotiation and/or value engineering.

**Cornwall Council – 16<sup>th</sup> September 2021 - Response**

*“Hi Steve / Yvette*

*Thank you for your time yesterday to discuss the latest situation with the procurement of a contractor for the Liskeard Makers Project.*

*Unfortunately we only received one submission through the Council's Minor Works Framework which was significantly over the budget and beyond the level for negotiation and/or value engineering.*

*The construction market has seen significant cost increases and there are issues in the market for the supply of materials and modular buildings, such as, shipping containers. The Council has experienced similar issues on other construction projects.*

*I have been exploring options and if we are to continue with the project then I recommend an open tender, however, there will be further resource requirements to complete this tender and there is no guarantee that the price will be within budget.*

*I suggest we discuss again at the end of next week which will give us more time to check the project costs.*

*Kind regards*

*Jordan Whaley | Programmes Lead*

### **Comments and Observations**

- 8 companies are on the Minor Works Framework – 6 did not respond. 1 was expected to respond but did not. Later they, indicated that they had been pursuing school contract work (which for practical reasons is often focussed in August during the School holidays).
- The framework itself is a limited pool of companies unlike an open tender – this it was felt, does produce higher prices.
- It was believed that the company that had submitted the very high quote – did so knowing that it would not be acceptable (perhaps having too much work and not wanting to appear unwilling for future jobs)
- Prices in general are going up in a number of sectors which impact the construction industry – shipping containers being difficult to get hold of at the moment. This will have had an impact of costings with the scheme, but to what extent.
- Bradys – are the contractors building the Cornwall Council Workshed. There might be scope to share some of the services costs over the two projects. Whilst Bradys have been procured by compliant methods – the grant offer letter to Cornwall Council is likely to stipulate that they might only increase costs by 10% - 15% which might constrain the extent of any services costs sharing with the Workshed.
- It is possible to revise the timetabling for the different aspects of the project and commence the revenue elements of the ERDF business support / ESF and then deliver the workspace 2 months later than planned.

### **Next Steps**

- Bradys have been asked to estimate a cost of providing the CLLD workspace element by 24th September – this will hopefully give a realistic assessment as to likely impact of rising prices that the construction industry is facing to help consider next steps.
- Go out to open tender to get a more realistic cost – Cornwall Council say that this would take 2 months. Judith Hann's view that this would still deliver the capital element of the project within timescale variations that are acceptable to CLLD programme. CC are concerned about going out to open tender for two reasons; cost – both in officer time

and MWJV resource needed (a conversation may take place with them and Judith about possible sources of funding this); and will the responses received be within budget (the Brady quote on 24/9 will help inform this, they are expected to come in at the lower end of the scale of what would be achieved from open tender as they are already on site). Judith is going to take another look at the value for money calculations.

- CLLD Programme – subject to what is learned from Bradys on the 24th September - this is still the most significant workspace project and one of the largest projects overall. The programme would like to see the project proceed. The current rate of grant is 45%. Ideally, value for money assessments are based upon the square metres of workspace provided. There is currently £300,000 - £400,000 left uncommitted in the relevant CLLD workspace budget. There could be a case for a revised grant offer letter to a higher percentage.
- It may be possible for CLLD to support the Town Council to run its own open tender process if CC are unable to resource this.

**Recommendation: To approve an open tender process for procurement of the ERDF capital project to deliver the workspace**

**d). To note and accept the amended grant offer letters – see attachments**

**Recommendation: To accept the amended grant offer letters**