

<b>Report on</b>	Davagh Dark Skies Project
<b>Reporting Officer</b>	Director of Leisure & Outdoor Recreation
<b>Contact Officer</b>	Nigel Hill

<b>Is this report restricted for confidential business?</b>	Yes	<input type="checkbox"/>
If 'Yes', confirm below the exempt information category relied upon	No	<input checked="" type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report</b>
1.1	To inform members of increased project costs and seek endorsement to present proposal to Council's Policy and Resources Committee
<b>2.0</b>	<b>Background</b>
2.1	On October 2015 the Council's Development Committee took the decision to scope out a potential new tourist attraction for the district at Davagh Forest adding to the existing mountain bike trails, utilising the potential of the site and the uniqueness of both the built and natural heritage.
2.2	On November 2015 the Council appointed Outdoor Recreation and Cogent to work up a business plan and an economic appraisal which had to be prepared and submitted with the application to DAERA.
2.3	In March 2016 the ICT tender was awarded to Teague & Sally, Cookstown for the new visitor hub building, which will be located in Davagh Forest to facilitate an application to Rural Development Programme Tourism Measure.
2.4	The Mid Ulster Davagh Forest Dark Skies project team submitted the round one application along with Economic Appraisal and Business Plan to the DAERA Rural Tourism funding programme for £500k.
2.5	At the October 2017 meeting of the Councils Development Committee permission was granted to seek additional of £245k from the Landfill Tax Fund for additional funds for the interpretation offering inside the building to ensure that the visitor would enjoy a fully immersive visitor experience. Later that month the Council received notification that the application had been successful.
2.6	On 25 <sup>th</sup> July 2017 notification was received from DAERA announcing that the Rural Tourism scheme open call for full applications will be made on 14 <sup>th</sup> August, with a closing date of 27 <sup>th</sup> October 2017 which was extended to February 2018. An application was submitted to the DAERA on the 14 <sup>th</sup> December 2017
2.7	Planning permission was granted for the project at the November 2017 meeting of the planning committee.

2.8	At the January 2018 Development Committee permission was granted to seek additional funding from DAERA's Rural Tourism Programme for an outdoor element of the project.
2.9	Initially Council was lead to believe that the funding application process would open before the summer of 2016. Due to internal issues DAERA delayed the opening date for the Rural Tourism Programme until the summer of 2018. This delay would have a knock on effect on the progression of the project with the selected contractor withdrawing his original tendered price due to inflation. This would result in a project review and renewed procurement process.
2.10	Tandem Consultancy advised the project team that the allocated Dark Skies exhibition area within the original building design would prove to be restrictive and would likely inhibit the capacity to offer a quality experience worth an admission fee to visitors. This was acknowledged and a redesign of the interior space was carried-out. The alterations have subsequently lead to increased projected costs that have been set out in table 1.
2.11	Traffic management infrastructure has been factored into the current project with the introduction of automated barriers with the capability to collect revenue from visitors to the Davagh Centre and the mountain bike trails. These costs are included in table 1.
2.12	Davagh Skies revised project cost projections were presented and approved at Development Committee on 13 <sup>th</sup> September 2018. Full Council ratification 27 <sup>th</sup> September 2018.
<b>3.0</b>	<b>Main Report</b>
3.1	Proposed alternative construction scheme designs have been provided by ICT team Teague & Sally to show new layouts accommodating increased exhibition space and internal lay-out within the same footprint for the building. Amendments that have had an impact on projected budget include; <ul style="list-style-type: none"> <li>• Larger exhibition space</li> <li>• Grab &amp; Go food area has been introduced to cater for visitor attraction numbers</li> <li>• Floor area has been increased by reducing external canopy area and omitting bike store from the main build scheme proposals.</li> <li>• Multi-purpose room has been added i.e. meeting/community space</li> </ul>
3.2	Additional adjustments to the original budget figure require to be factored into the revised budget projection and are listed in table 1 which exclude ICT fees and statutory costs.
3.3	Increased ICT fees are anticipated to cover reworking and issue of ITT documentation and will be presented as a compensation event in accordance with original ICT submission.
3.4	Additional costs to amendment original Economic Appraisal associated with DAERA funding will be incurred in order to renew EA submission.  As stated before, the contractors cost increase sought 6% additional and industry standards would suggest that 6-10% increase from last year's costs would be true reflection on where the construction industry is at the moment.
3.5	Table 1 Indicative cost increase for project delivery excludes ICT fees and statutory costs

	<b>Construction tender amount- lowest tender received</b>	<b>£ 750,000</b>	
	<b>Revised Cost Projection</b>		
	Potential Additional uplift in Costs (10%) due to inflation	£ 75,000	
	Changes to internal layout to accommodate Tandem layout and provision of "Grab & Go" refreshment facility	£ 30,000	
	Additional floor space created, ICT fit out and layout changes	£ 89,169	
	Average tenders reviewed and consideration required to allow for average adjustment	£ 35,000	
	Traffic Management Infrastructure	£ 30,000	
	<b>Revised Construction Cost</b>	<b>Sub Total</b>	<b>£1,009,169</b>
	(Professional fees/Preliminaries/Optimum Basis included)		
	Internal Interpretative Fit-Out (Tandem)	Sub Total	£ 245,000
	<b>Revised Project Costs</b>	<b>Total</b>	<b>£1,254,169</b>
3.6	Table 2 Funding Streams Analysis		
	DEARA Funding	£ 500,000	
	Landfill Community Funding	£ 250,000	
	MUDC funding Projection – Original Scheme	£ 245,000	
	<b>MUDC additional funding Request</b>	<b>£ 259,169</b>	
	Revised Funding Stream	Total	£1,009,169
	<b>MUDC Total Funding Contribution – Revised Scheme</b>	<b>£ 504,169</b>	
4.0	<b>Other Considerations</b>		
4.1	<b><u>Financial &amp; Human Resources Implications</u></b>		
	Financial: Revised project Construction costs are projected as £1,009, 169 from an initial figure of £750,000. The Council's contribution to original funding package will have to increase by £259,169 based on revised projections (Table 2 Funding Stream Analysis).		
	Human: Current staff structure sufficient to manage the project.		
4.2	<b><u>Equality and Good Relations Implications</u></b>		
	N/A		
4.3	<b><u>Risk Management Implications</u></b>		
	The project will be managed in accordance with MUDC policies and procedures		

<b>5.0</b>	<b>Recommendation(s)</b>
5.1	<p>The Development Committee recommends to the Committee that approval is given to progress Davagh Project based on revised construction costs of £1,009,169 (increase of £259,169) and additional Council contribution of £259,169 (Total MUDC contribution £504,169).</p> <p>Revised Total Project Cost £1,254,169</p>
<b>6.0</b>	<b>Documents Attached &amp; References</b>
6.1	N/A