

SCOTTISH BORDERS COUNCIL AUDIT AND SCRUTINY COMMITTEE

MINUTE of Special Meeting of the AUDIT AND SCRUTINY COMMITTEE held in Council Chamber, Council Headquarters, Newtown St Boswells on Monday, 28 August 2017 at 10.00 am

Present:- Councillors S Bell (Chairman), H Anderson, J A Fullarton, S Hamilton, N Richards, H Scott and E Thornton-Nicol.

Apologies:- Councillor K Chapman, R Tatler.

Also Present:- Councillors S Aitchison, G Edgar, C Hamilton, D Haslam, D Paterson, C Ramage.

In Attendance:- Chief Financial Officer, Chief Legal Officer, Service Director Assets & Infrastructure, Project Manager Team Leader (E Doyle), Network Manager (B Young), Principal Solicitor (H Macleod), Lead Officer – Built Heritage & Design (M Douglas), Clerk to the Council, Democratic Services Officer (J Turnbull)

1. **DECISION CALLED IN: UNION CHAIN BRIDGE**

1.1 With reference to paragraph 3 of the Executive Minute of 15 August 2017, there had been circulated copies of a Call-In of a decision taken by the Executive Committee, relating to a request to increase the financial contribution to the Union Chain Bridge project. The decision of the Executive Committee was:

AGREED:-

- (a) to increase the financial commitment to the Union Chain Bridge Project by £450k, in line with the current agreement with Northumberland County Council; and*
- (b) to approve the virements of £190k in 2019/20 and £260k in 2020/21 from Roads and Bridges capital block to the Union Chain Bridge.*

1.2 Also circulated was an extract from the Minute of the Executive Committee of 15 August 2017; the report on the Union Chain Bridge considered by the Executive Committee on 15 August 2017; the report on the Union Chain Bridge considered by the Executive Committee on 7 March 2017; and a presentation to the Friends of the Union Chain Bridge by Professor Roland Paxton on 25 June 2014 (background information on the history of the bridge).

1.3 The call-in had been made by Councillor Paterson, supported by Councillors: A Anderson, H Anderson, S Bell, H Scott and E Thornton-Nicol, and was as follows:

- (a) The report and the discussion at the meeting did not make it clear if the expenditure was on the Bridge in order to maintain it as a strategic road asset or as a historic asset. Was this a vital bridge for the Borders public, or was it for tourists?*
- (b) The report wasn't clear on the costs and the benefits of alternative courses of action. It was not clear if the approved increased expenditure was the best Value for Money at this time.*
- (c) The extra £450k was identified as coming out of the future block funding for roads and bridges. There were no answers in the report or the discussion to the question of the priority for funding for this Bridge in comparison to other*

commitments. The Borders public needed to know why we spend money on this Bridge and not fix pot holes or upgrade some roads that are little more than a cattle track.

- 1.4 The Chairman, Councillor Bell, welcomed officers and Members to the meeting, described the procedure to be used during the meeting and invited Councillor Paterson to give his reasons for the call-in. Councillor Paterson explained that it had been brought to his attention that not many people used the bridge and it was a concern that money was being allocated to the project which could have a wider benefit if allocated elsewhere; there could have been more questioning of officers at the Executive Committee; and a proper explanation of the project was required. In response to questions from Scrutiny Members, Councillor Paterson advised that he had not been satisfied with the level of questioning of the project by Members and the officers' responses; the Executive Members had been unanimous in their decision although some Members had expressed concern at the cost; and he was also concerned about what would happen to the project if the Heritage Lottery Fund application was unsuccessful.
- 1.5 The Chairman then invited officers to summarise their report. The Project Team Leader, Mr Doyle, advised that the report to the Executive Committee on 15 August was to seek approval to increase the funding for the Union Chain Bridge project to £1m to support the application to the Heritage Lottery Fund (HLF) and match the commitment from Northumberland County Council (NCC). He clarified that since the report to the Council's Executive Committee in March 2017, there had been several developments to the project that had affected its progress and budget estimate. Historic England's support was required to support the HLF application for £5m and they now required a higher level of restoration than originally envisaged. This had created an increase from circa £5m to £7.8m. Furthermore, NCC had made changes to their staffing and the completion of the application to HLF for April 2017 had not been achieved. Also, with a new Administration at NCC, the project team needed to refresh the authorisation to continue with the project; NCC had now committed to an increased financial commitment of £1m. Mr Doyle highlighted that there were grants expected from Historic Environment Scotland - £500k, Historic England - £200k and Friends of Union Chain Bridge £100k. Scottish Borders Council (SBC) had currently committed £550k to the project, to match fund the previous commitment from NCC. To match the potential commitment from NCC the current budget would have to be increased by £450k.

2. Strategic Road Asset or Historical Asset

- 2.1 In response to questions regarding whether the bridge was a strategic road asset or historical asset, Mr Doyle advised that in terms of the whole of the Scottish Borders the bridge had a low strategic priority with 200 vehicles, 100 pedestrians and perhaps 5 or 6 cyclists using the bridge per day. However, in terms of the local community it served, the bridge had a high strategic priority. Additional engineering inspection since March had led to the increase in cost of the project from £5.6m to £7.8m as significant elements of the bridge were not in as good condition as had been expected. In the main, this was a heritage project. Mr Doyle highlighted that the project was high in terms of value for money with the potential leverage that could be gained from other funding partners, with the Council investing £1m for a £7.8m project. With regard to certainty that NCC could deliver the bid in time, Mr Doyle explained that NCC now had governance arrangements in place with appropriate roles and responsibilities. He and Councillor Edgar, Executive Member for Roads and Infrastructure, had attended the interview for Northern Heritage Trust who would take forward the bid. The Chief Officer of this Trust had experience and knowledge of bids to this scale. In terms of the historical aspects of the project, a workshop scheduled for 8 September would consider opportunities. Mr Douglas, Lead Officer Built Heritage & Design, added that the bridge had a substantial historical significance being the oldest suspension bridge in the world still carrying vehicular traffic. The project could also link to a wider River Tweed initiative. Both Historic Scotland and Historic England were very supportive of the project. Historic England's preference was for the renovation of the existing hangers, which could add a potential £400k to the

project. However, it may be possible to replace the hangers with more modern materials as some of the hangers were not original and had already been replaced previously. It was the wrought iron chains that were significant and further analysis was needed on them, which Historic England had acknowledged.

- 2.2 The Chairman advised that in terms of alternative routes for the local community there would be an additional 13 mile round trip on the English side and an 8 mile round trip on the Scottish side. He further advised that NCC had stated in their report that it was not a strategic road asset and asked if the bridge was closed to vehicular traffic would this make it any less historic. Mr Young, Network Manager, responded that the bridge was important for the local community and local businesses, such as the Honey Farm, but it was not a strategic roads asset overall for the Council. Mr Douglas added that it would be unfortunate if the bridge closed to vehicular traffic as it had been used continually for 200 years and that would be a diminution in its historic significance. Mr Joyce added that in terms of a tourist attraction, its unique selling point was that it was the oldest surviving suspension bridge open to vehicular traffic, but this was not currently being promoted.

3. Alternative Course of Action – Costs and Benefits.

In response to a question regarding the cost of maintaining the bridge for pedestrian and cyclists use only, Mr Doyle advised that in the short term, repair works would be in the region of tens of thousands. However, the anchors and decking, two critical elements of the structure, would require replacement in 5 – 10 years with a cost of £1.6m and £1.4m respectively. To replace the bridge entirely could cost over £10m. The benefit of this project was the leverage that could be drawn in from other funders. With regard to the safety of the bridge for vehicular traffic, Mr Doyle advised that NCC's structural inspection had deemed the bridge still safe for vehicles. With regard to the risk that the project cost could increase further, Mr Doyle advised that if the HLF application was unsuccessful, the likely option would be for a managed decline of the bridge which would continue to deteriorate and would no longer have the capacity for vehicular traffic. Replacement of the anchors would give another 120 years of life, but it was a wrought iron bridge which brought its own inherent issues. Mr Joyce stated that in his experience dealing with historic structures, during the construction process there might be a requirement to change the scope of the works if issues arose. In mitigation, there was a robust business case and an understanding of issues prior to undertaking the work. In answer to a question regarding the timescale for the bid, Mr Doyle advised that it was a two stage HLF bid application process, if stage one was successful – which would be known by April 2018 - there was 44 weeks for the development of stage two application, with works scheduled to start in 2019 should the bid be successful. There was some funding available currently in the budget for bridge maintenance.

4. Priority for Funding the Bridge

- 4.1 Mr Joyce advised that as there were no other commitments on other bridges in 2019/20 and 2020/21, the Union Chain Bridge project would not be displacing other projects. There was a need to balance spend, whether capital or revenue, in financially constrained times, but in this case, £1m would unlock £6.8m of investment from other parties to safeguard the road/heritage asset. Mr Doyle confirmed that further work would be needed to realise the potential of the bridge, with the HLF bid focussing on the bridge's historic, educational and economic legacy. There would also be the opportunity to promote the asset and encourage an increase in visitor numbers which would improve the Borders economy. In terms of SBC having appropriate funding in place for a crisis, should an inspection of the bridge reveal major issues, Mr Joyce clarified that there was flexibility and projects could be re-profiled, with the option of using the funds available for emergency or unplanned works. The Chief Financial Officer, Mr Robertson, confirmed that with regard to remedial works to the bridge at Lowood, funding had already been allocated within the budget. The capital budget had £17.918m allocated for roads/bridges over the next 5 years, and £66.7m over the next 10 years.

- 4.2 In response to a question regarding the risk of not maintaining the bridge, Ms MacLeod, Principal Solicitor, advised that enforcement notices from Historic England and Historic Environment Scotland, typically seven days, could be served on the Council to ensure the preservation of the historical asset. Any works would be carried out and both authorities, NCC and SBC, would be then be charged for this. Mr Joyce highlighted that the bridge had already been identified by English Heritage as an 'at risk' structure. If the bid was to fail, English Heritage could quickly intercede. Requesting an additional contribution from English Heritage was not feasible, as the increased cost was for replacement of the anchors. English Heritage had also less money available proportionally as it had more assets at risk. Other avenues of funding could also be explored as the greater the amount of the bid to HLF, the less likely it would succeed.
- 4.3 With regard to the risks and mitigations detailed in paragraph 6.2 of the 7 March report to the Executive Committee, the Chief Financial Officer, Mr Robertson advised that Members may wish to add that the Council's contribution was dependent on all other funding partners being in place. With regard to risk management of the project, Mr Joyce confirmed that there was a full Risk Register for each capital project. This was an operational document, with only the significant risks summarised in the report for Members' consideration. Mr Robertson confirmed that the risk register held by the Council for major risks had around £500k which was the contribution to the Bellwin Scheme for major disasters should the unexpected happen – the Union Chain Bridge would not be covered by this.
- 4.4 The Chairman then invited Councillor G Edgar, Executive Member for Road & Infrastructure, to address the Committee. Councillor Edgar advised that the Union Chain Bridge was designed by Captain Samuel Brown and build in 1820. The bridge was the oldest single span suspension bridge still carrying vehicular traffic in the world. It was classified a Grade 1 structure in England and Category A in Scotland. The bridge was an important part of the infrastructure forming a vital connection over the River Tweed. The bridge was popular with visitors to the Honey Farm and Paxton House, and for the members of the local community it was a strategic link. A great deal of disturbance would be caused if the bridge was deemed not suitable for vehicular traffic. There was historic, educational and economic potential of the bridge. If the bid for financial assistance was unsuccessful then the £5m repair costs would need to be met by SBC and NCC if the project was to go ahead on the same basis. If the bid was unsuccessful, Councillor Edgar confirmed that a decision would then need to be made based on the information available at that time, including any other sources of funding. Mr Doyle advised that the reports to the Executive Committee had identified an asset in decline requiring significant capital investment but with the ability to leverage in £6.8m for £1m of investment by the Council. The bridge was listed as a category A structure which was the highest category and was of national importance.
- 4.5 The Chairman thanked officers and Members for their attendance and valuable contribution.

Note: Councillor H Scott left the meeting during the following discussion.

- 4.6 During the discussion that followed, Members considered the answers they had been given to their questions. They highlighted that greater transparency was required with access to and understanding of risk management processes; the historic aspect of the bridge not yet being developed as a tourist attraction; the need to discuss some aspects in private session where there were concerns, but this had to be tempered with the requirements of Schedule 7A of the Local Government (Scotland) Act 1973; the greater impact that any closure would have on the people living to the north of the bridge; the historic/cultural significance of the bridge; and the bridge's use as a crossing point of the Tweed if any of the main bridges were closed for maintenance or other reasons.

DECISION

- (a) AGREED:**
- (i) to welcome and reinforce the increased focus on the cultural/heritage aspect of the Bridge and to see that as the priority for funding while still recognising it as a roads asset; and**
 - (ii) to recognise that while Officers did not have fully worked out alternatives at this stage, there was more information available which would allow alternative schemes to be worked out should that prove necessary.**
- # (a) AGREED to RECOMMEND to the Executive Committee:**
- (i) with regard to its decision on 15 August 2017 to increase the financial commitment to the Union Chain Bridge Project by £450k, the following wording be added 'subject to the other sources of funding being available';**
 - (ii) that a report be provided to the Executive Committee in April 2018 with the outcome of the HLF application, with options and timescales for the project with an enhanced focus on historical objectives, and should the bid fail, the report would contain fully costed alternatives, recognising the historical focus for the Bridge and its use as a road asset if possible;**
 - (iii) to instruct the Service Director Assets & Infrastructure to write to Northumberland County Council confirming the governance arrangements for the project and that in future joint reports be prepared for both Councils for future decision making;**
 - (iv) that Members be given access to risk registers for capital projects, as appropriate; and**
 - (v) that Officers should be encouraged to seek other sources of funding for the Union Chain Bridge project.**

The meeting concluded at 12.20 pm