

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3081

Author:

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Department:

Development and Growth

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Subject:

Asbestos removal and partial demolition of the former Elms School, Cranmer Street, St Anns

Total Value:

£350,000 (Type: Capital)

Decision Being Taken:

- 1. To note the actions of the Deputy Chief Executive/Corporate Director of Development and Growth in awarding a contract to remove asbestos from the former Elms Primary school**
- 2. To approve an increase in the funding envelope for asbestos removal and the partial demolition of the former Elms Primary school from £500,000 to £850,000**

Reasons for the Decision(s)

In June 2017, the Portfolio Holder for Business Education and Skills declared the former Elms Primary School surplus to operational requirements and approved the procurement of a contractor from the NCC Asbestos Framework to undertake works to remove asbestos from the former school and the partial demolition of the former school and the associated caretakers' house. The report delegated authority to the Deputy Chief Executive/Corporate Director of Development and Growth to award both the asbestos removal contract and to appoint a demolition contractor subject to the project being within the £500,000 funding envelope.

Following the June 2017 Portfolio Holder Decision Building Services colleagues held a mini competition, based upon an asbestos survey undertaken prior to the tender process, amongst the contractors on the Asbestos Framework to undertake the removal of asbestos from the former Elms school. The lowest tender received was £225,869. With additional works required to facilitate the asbestos removal, and fees the total cost of asbestos removal was anticipated to be £239,969 and on this basis the asbestos removal contract was awarded to the party submitting the lowest tender.

Following the award of the original contract through the Asbestos Framework and the commencement of works to remove asbestos on site, considerable additional asbestos was found in underground ducts and voids that were previously inaccessible or unidentified. In light of increasing costs independent asbestos survey and testing was undertaken to confirm the presence of additional asbestos. In order to ensure that this was removed and the building cleared of asbestos at the lowest cost it was necessary to authorise additional works to facilitate the removal of the previously unidentified asbestos. This authorisation was given within the original approved funding envelope for asbestos removal and partial demolition of £500,000.

Since the first discovery of additional asbestos outlined above even more asbestos contaminated underground ducts and voids have been discovered increasing the cost of asbestos removal by a further £130,000. The presence of this further additional asbestos has again been verified by more independent asbestos survey and testing. The discovery of this second lot of additional asbestos will take the total cost of asbestos removal to £555,000 or thereabouts which is £55,000 outside the originally approved £500,000 funding envelope for asbestos removal and partial demolition.

In addition to increasing the cost of asbestos removal, the discovery of additional underground ducts and voids will increase the anticipated cost of demolition. Furthermore, through the planning process, Historic England have raised concerns with the Council's partial demolition proposal, this is likely to result in possible delays on site to the start of demolition works increasing security costs. It is now anticipated that the proposed partial demolition, including additional security costs, fees and contingency will be in the order of £295,000.

As a result of the unexpected and unavoidable increased cost of asbestos removal to an anticipated £555,000 and the anticipated increase in the cost of demolition to £295,000 it is necessary to seek the recommended increase in the funding envelope to £850,000 to allow all identified asbestos to be removed and the proposed partial demolition to take place.

Other Options Considered:

Not to proceed and order works to complete the asbestos removal from the property. This option was rejected as to delay the asbestos removal process would result in greater cost increases and to stop the asbestos removal process altogether would leave the property in a dangerous state.

Not to proceed with the partial demolition of the property. This option was rejected as the property has attracted significant anti social behaviour . The proposed partial demolition will result in a smaller envelope to secure against unauthorised access, reducing the risk of arson, theft, vandalism and anti social behaviour, whilst retaining those sections of the building of most importance to the Conservation Area they are in and of most historic and architectural interest in line with our statutory duties and national heritage policies.

Background Papers:

None

Published Works:

DDM 2859 Partial demolition of the former Elms Primary School, Cranmer Street, St Anns and to declare the site surplus to operational requirements

Affected Wards:

St Ann's

Colleague / Councillor Interests:

Any Information Exempt from publication:

Yes

Exempt Information:

Description of what is exempt:

Information relating to the gross value of the site.

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the information relates to the gross value of the site which if revealed may prejudice the position of the Council.

Documents exempt from publication:

Asbestos exempt appendix.docx

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

The proposals will ultimately allow the site to be regenerated and remove the focus for anti social behaviour.

Equality:

EIA not required. Reasons: The report does not contain proposals for new or changing policies, services or functions of the Council.

Relates to Council Property Assets:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

No

The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.

Person Consulted: Councillor Parbutt

Consultation Date: 02/02/2018

Contractors are already on-site. Delays will incur further costs to the City Council, and will delay the removal of hazardous waste from the site.

Advice Sought:

Legal, Finance, Procurement, Property

Legal Advice:

This report raises no significant legal issues. The value of the works is below the applicable procurement threshold. It is understood from discussions with the report author that a full asbestos survey was carried out at the outset however during the removal process, underground ducts and voids which were hidden at the time of the original survey have been opened up and further areas of asbestos have been found Advice provided by Andrew James (Team Leader Contracts and Commercial) on 05/02/2018.

Finance Advice:

This decision follows the previous delegate decision 2859 and requests extra resources to fund additional asbestos / demolition costs.

The capital programme currently includes a capital project (22087) for the original works with an approval of £0.500m. Following the approval of this decision the project will be increased by £0.350m making the total approval £0.850m. This additional £0.350m is to be funded from the future capital receipts generated from the sale of this site.

Property Services are forecasting that the proceeds from any subsequent sale of the site will generate a surplus for investing in the capital programme.

Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 02/02/2018.

Procurement Advice:

There are no direct procurement concerns with this request to increase funding.

The contract for asbestos works was awarded following a further competition from the City Council's 'Framework for Asbestos Abatement Works' (ref. 1171) and both the original and modified values are below the threshold at which the Public Contracts Regulations become applicable for Works.

Extensions to the value of awarded contracts is allowed as long as the provisions set out in Contract Procedure Rules 9.8 & 9.10 are satisfied.

Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 25/01/2018.

Property Advice:

This is a report of the Director of Strategic Assets and Property, no further advice is therefore required. Advice provided by Rodney Alan Martin (Senior Surveyor) on 06/02/2018.

Signatures

Jon Collins (Leader & PH Strategic Infrastructure & Comms)

SIGNED and Dated: 16/02/2018

David Bishop (Deputy CE, CD for Development and Growth)

SIGNED and Dated: 15/02/2018