

BURGESS HILL LIBRARY DEMOLITION 2020

REPORT OF: HEAD OF CORPORATE RESOURCES
Contact Officer: Tony Johnson, Team Leader: Facilities Management
Email: Tel:
Wards Affected: N/A
Key Decision: No
Report to: Cabinet – Monday 6th July 2020

Purpose of report

1. This report sets out the case for demolishing the redundant Burgess Hill library building and asks Cabinet to agree a direct contract award with a specialised contractor to deliver the demolition over the summer and early autumn.

Recommendations

2. ***The Cabinet is asked to recommend to Council that; this project is added to the Capital Programme 2020/21, financed from the General Reserve, and that the Head of Corporate Resources is delegated to contract with those bodies necessary to achieve the project outcomes; and that***
 3. ***A further report is to follow to Cabinet detailing the project costs.***
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Background

4. The Martlets Hall building was demolished during 2019 at a total cost of £349k, financed from the General Reserve. This project was originally budgeted at £180k when added to the Capital Programme in November 2018 but the unexpected presence of asbestos deep within the construction of the building, used to construct a concrete ring beam, led to a change in contractor halfway through the project, increased costs arising from a specialist's removal of the asbestos and an extended project length which also led to a claim for increased costs. This was despite an asbestos survey being conducted prior to the project's implementation.
5. Such risks are always present in any demolition of buildings of this era and Members are advised that despite best endeavours this risk cannot be fully mitigated.
6. At that time, the Library building, attached to the Hall, was in continuous use and it was not therefore feasible to demolish both together.
7. However, the new library is now in use and the vacant building is ready for removal. This will clear the site and leave it ready for forthcoming works or for any other use that the Council decides.

Proposal

8. The successful project to demolish the Martlets Hall was conducted by a specialist contractor appointed by New River Retail (NRR) who are the head leaseholder of the Martlets shopping centre. The ground on which the hall sits is to be redeveloped as part of the town centre redevelopment but, until this proceeds, the responsibility for the Hall rested with Mid Sussex as the landowner. It was therefore considered that Mid Sussex would take responsibility for demolishing the hall with such costs, or adjustment to land values, being reflected in the new head lease when this became unconditional.
9. Given capacity issues within the council generally at the moment due to the pandemic, and specifically within the Corporate Estates Business Unit, it is recommended that this approach is taken again with this project. The specialist contractor would be appointed by us as client, having been competitively tendered by New River Retail who would, pro bono, oversee the contract set up and day to day management. Cost consultants as before would ensure that the contractor was being paid correctly for the work undertaken and, separately, health and safety advisors would ensure that the site was appropriately set up and monitored. In this way there would be minimum input needed from the Estates Unit who would of course work closely with NRR to ensure a successful demolition and brief the Cabinet Member in the usual way.
10. The alternative to such an approach would be to either utilise a framework contract or to go out to the market and competitively tender against a specification. This would involve a good deal of work from the Estates team and may not lead to any better outcome for the project, as well as possibly taking significantly longer to set up. It is not therefore recommended to proceed in this fashion, and the recommendations reflect this variation to the Procurement Code
11. To mitigate the risk of cost overruns, an extensive intrusive Asbestos Survey will be undertaken to fully assess the extent of the use of asbestos in the building. This will be completed before engaging with the main contractor to finalise the prices.

Project Outline

12. It is expected that once preliminaries have been completed, the contractor can be on site during the late summer. The site would be left levelled and surrounded by temporary fencing ready for further development or an alternative use. Such further uses are out of scope for this project but could be considered for implementation at a future time.
13. The hall site would also be subject to further cleaning up works so that the whole site is rubble free and safe.

Outline costs

14. Members should note that Officers have sought contract cost updates from the main contractors and these will be brought forward at the next available opportunity.
15. Funding can be made available from the General Reserve which stands at some £10m after the receipt of New Homes Bonus 2020/21 but before any deficit financing arising from budget management. Alternatively a capital receipt could be used to finance the works were this to be available.

16. Financing arrangements will be brought forward in conjunction with the procurement report mentioned above.

Policy Context

17. Demolishing this redundant building would be consistent with the Economic Development Strategy adopted in April 2018.

Financial Implications

18. This project can be financed from the General Reserve or a Capital Receipt and therefore has no impact upon the revenue budget.

Risk Management Implications

19. All construction and demolition projects carry a certain amount of risk and while this can be mitigated to a certain extent, there remains the possibility of cost and time overruns. This is being managed by the employment of professional cost consultants and the use of standard JCT contracts.

Equality and Customer Service Implications

20. None

Other Material Implications

21. None

Background Papers

22. None.