

**Cherwell District Council**

**Executive**

**5 September 2016**

**Notification of Urgent Action(s) –  
In relation to the Contract Award for the  
demolition of the Bolton Rd Car Park**

**Report of Chief Executive and Commercial Director**

This report is public

**Purpose of report**

To notify Members of urgent action taken by the Chief Executive and Commercial Director as set out below.

**1.0 Recommendations**

The meeting is recommended:

- 1.1 To note the urgent action taken by the Chief Executive in relation to the budget and to refer this to full council for noting.
- 1.2 To note the urgent action taken by the Commercial Director in relation to the award of the contract.

**2.0 Introduction**

- 2.1 The Bolton Road car park which is owned by CDC has been managed through Indigo Car Park Services under a long lease arrangement. The Council has been in negotiations with Indigo regarding the release of the lease and had reached agreement as to the financial settlement that would apply subject to the obligations relating to a communications mast tower attached to the car park.
- 2.2 In June 2016, the Council commissioned a review of the condition of the car park to inform its approach around potential demolition or using the car park over the medium to longer term. Specialist concrete consultants were appointed to complete the necessary investigations. A report from the consultants was received by the Council on 16 June 2016. This report concluded that the structural integrity of the car park was such that immediate action to close the facility should be taken.

- 2.3 Working in partnership with Indigo, the car park was closed and handed back to the Council on 21 June 2016 and the Council immediately commenced a tender process for the early demolition of the structure. Three tenders for this demolition were received and through the procurement evaluation process a preferred bidder was identified.

### 3.0 Report Details

#### Tender proposal

- 3.1 The final contract sum including all disbursements and fees of £700,000 was agreed with the preferred bidder to complete a 2 phase demolition and the provision of a new surface car park consisting of some 145 spaces. The contractor has indicated that to complete the demolition process and provide an operational surface car park they will need to gain access to the site and commence work during week commencing 22 August. This will enable contract completion by the 25 November 2016. To achieve this date, which is critical for the necessity to have the surface car park operational from the beginning of December, mobilisation must take place ASAP.
- 3.2 Other significant factors impacting on the demolition process are:-
- structural integrity of the building remains of significant concern;
  - health and safety issues are of significant importance;
  - weather conditions over the summer period should ensure minimum delay;
  - reduced security issues arising and cost savings of some £400 per week for existing security patrols on the site.

#### Additional Budget Allocation

- 3.3 The following funds were currently identified for the demolition process:-

£300,000	payment from current contractor Indigo on surrender of lease
£ 50,000	Economic Development Reserve
£ 25,000	Additional payment from Indigo if demolition > £350,000 (contract award support this)

**£375,000 TOTAL AVAILABLE**

The total cost of the revised scheme is £700,000, which results in a shortfall of £325,000. This funding shortfall has been met from the use of capital receipts, through an urgent decision taken by the Chief Executive in consultation with the Chairman of Council and the lead member for finance.

#### Contract Award Options

3.4 The following options were considered:

- Award contract in August 2016 by taking urgent decision in consultation with the Leader of the Council
- Award contract in September 2016 after consideration at the Executive meeting scheduled 5<sup>th</sup> September 2016

3.5 This urgent decision was taken on 17 August 2016 as delaying the award of the contract until 5 September 2016 would have an impact on the timetable which is already extremely tight. By awarding the contract in August and mobilising resources w/c 22<sup>nd</sup> August 2016, we hope to have it finished and a temporary car park operational in time for Christmas shopping when the traders and town are at their busiest.

3.6 The decision taken was that Armac Group be awarded the tender for the demolition of the Bolton Rd car park and the construction of a temporary car park facility with 145 spaces in line with their tender sum dated 1<sup>st</sup> August 2016.

3.7 As a result of the award of the contract the Council has positively engaged with all stakeholders as appropriate including dialogue with nearby businesses. A number of drop in sessions for businesses and local residents have been arranged so stakeholders can hear more about the planned demolition and temporary car park provision.

3.8 The work has commenced and progress will be monitored through the Banbury Developments Board.

## 4.0 Conclusion and Reasons for Recommendations

4.1 The Chief Executive took urgent action(s) in consultation with the Chairman of the Council and the Lead Member for Financial Management to approve the allocation of £325,000 to this scheme.

4.2 The Commercial Director took urgent action in consultation with the Leader of the Council to approve the award of the contract to the preferred bidder.

## 5.0 Consultation

5.1 The Leader of the Council, the Chairman of the Council, the Lead Member for Financial Management and Lead Member for Estates and the Economy only due to the urgency.

### 6.0 Alternative Options and Reasons for Rejection

- 6.1 As this report is for the information of Members there are no alternative options to consider.

### 7.0 Implications

#### Financial and Resource Implications

- 7.1 The cost of the contract award can be met from the contribution of £325,000 from the current operator in recognition for the surrender of the lease, the £50,000 economic development reserve allocated in 2015 and the balance can be met from the urgent decision taken by the Chief Executive to allocate capital receipts of £325,000 for this capital scheme.

Comments checked by:

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#### Legal Implications

- 7.2 The demolition works contract has been completed and has been subject to the input of the shared legal team. It is a constitutional requirement to report the taking of urgent executive action by an authorised officer to the Executive. It is also necessary for the urgent action taken in respect of the budget to be reported to full council for noting.

Comments checked by:

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### 8.0 Decision Information

#### Key Decision

**Financial Threshold Met: No**

**Community Impact Threshold Met: No**

#### Wards Affected

Banbury Town

#### Links to Corporate Plan and Policy Framework

A District of Opportunity

## Lead Members

Councillor Barry Wood, Leader of the Council

Councillor Ken Atack, Lead Member for Financial Management

Councillor Lynn Pratt, Lead Member for Estates and the Economy

## Document Information

Appendix No	Title
None	
<b>Background Papers</b>	
None	
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