

18 March 2019**Agenda Item: 6****REPORT OF THE SERVICE DIRECTOR, INVESTMENT & GROWTH****LATEST ESTIMATED COSTS – DEMOLITION OF FORMER SHERWOD E-ACT
ACADEMY SCHOOL, GEDLING****Purpose of the Report**

1. To advise Committee of the Latest Estimated Cost (LEC) for the programme of works to demolish the former Sherwood E-Act Academy School and seek approval to proceed to the demolition phase of the project based on this estimated cost.

Information**Project details**

2. The former Sherwood E-Act Academy comprises a vacant school in Wollaton Avenue, Gedling. The school has been disused for many months. The property comprises c5,900sq clasp and traditional brick-built construction on a site of c8.9Ha.
3. Sherwood E-Act Academy has been declared surplus and vacant. The property is not considered suitable for modern needs or alternative uses either by NCC or the wider market. Following demolition the vacant site will be marketed and sold.
4. Whilst vacant the buildings have become increasingly dilapidated and a source of concern for local residents. There is also a growing risk of fire and other risks associated with empty buildings, since anecdotal evidence suggests that these risks increase with time. The reputational risk to the Council will be increasingly significant.
5. Delays in actioning demolition have resulted from several factors, not least ensuring there is no operational use or interest in some or all the buildings and agreeing compensation with Gedling Borough Council in respect of the MUGA, which is located on site and which use is also discontinued. All these issues are now resolved.
6. Vacant properties with buildings in-situ incur higher holding costs than those comprising cleared and demolished sites. Additional and higher costs include security, insurance, utilities, business rates and additional staff time incurred in carrying more frequent and longer visits. Sherwood E-Act Academy actual costs from April to November 2018 were £133K and a forecast to March 2019 suggests full year costs of £200K. There will still be costs associated with holding the vacant/cleared site, but these will be minimal involving regular/routine inspections under the NCCs Vacant Building Protocol to check for boundary issues and occasional boundary maintenance and repair.

7. NCC will have a more marketable and attractive site following demolition. The building is specialist and purpose built and simply does not lend itself to alternative uses. Also, it is dilapidated, and intrusive asbestos surveys have added to the damage. The building will need demolishing irrespective of who does it. If NCC carries the up-front development costs, then it receives a higher capital receipt for the site, since the acquirer will not have to meet the demolition costs or carry the risk. The estimated difference between values with or without demolition is expected to reflect cost of demolition.

Capital Budget Implications

8. Arc Partnership provided estimates for the demolition of the property based on demolishing to slab level, leaving the site free and clear. A performance specification approach is favoured with the appointed contractor taking responsibility for all aspects of planning and completing the demolition, resulting in a simpler and anticipated cheaper outcome for NCC.
9. The Indicative Demolition Cost is £850,000. Qualifications on this are:
- Costs based on historic cost/m2 from recent demolition projects and LECs
 - Includes for asbestos removal but subject to detailed survey
 - Includes for demolition down to top of slab level only
 - Site services being already terminated, loose furniture etc removed from site
 - Limited ecology requirements (e.g. bats, etc.)
 - Excludes onerous planning conditions
10. The site will be marketed for sale as a development opportunity, by an appointed property agent, following completion of the demolition programme. Offers received will be reported to Policy Committee. It is anticipated that completion of a sale is likely to conclude in Spring/Summer 2020. The site is considered suitable for residential development with ancillary uses.

Revenue budget implications

11. Any additional premises and human resources costs arising from these proposals will be met from the Landbank Budget.

Other Options Considered

12. Consideration has been given to a range of options for the site. However, the solution proposed significantly reduces risks and costs associated holding vacant buildings and is likely to result in NCC receiving a higher capital receipt

Reason for Recommendation

13. Demolition of the buildings will result in the site being more attractive to a purchaser, resulting in a higher capital receipt. In addition, vacant property holding costs will be significantly reduced.

Statutory and Policy Implications

14. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public-sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Crime and Disorder Implications

15. There are no direct crime and disorder implications within the report. Within the wider site there are ongoing security risks and associated costs. The site will be relatively straightforward to secure during demolition and as a result risk of crime from theft or vandalism will be minimised. Additional measures which will be considered to further minimise risk of crime will include the provision of overnight security systems during the demolition period. Potential direct crime and disorder implications are likely to be significantly reduced following demolition.

Financial Implications

16. These are set out in the report

Implications for Sustainability and the Environment

17. Environmental and Sustainability requirements will be incorporated into the contract awarded to the demolition contractor.

RECOMMENDATION/S

It is recommended that:

- 1) Members consider whether there are any actions they require in relation to the issues contained in the report.
- 2) The Latest Estimated Costs for the project be approved.
- 3) That approval be given for the project to proceed to the demolition phase based on the estimated cost.

David Hughes
Service Director, Investment and Growth

For any enquiries about this report please contact: Mona Walsh, Team Manager, Property & Estates, Tel: 0115 804-3286

Constitutional Comments [KK 20/02/2019]

18. The proposals in this report are within the remit of the Finance and Major Contracts Management Committee.

Financial Comments [PH 07/03/2019]

19. The financial implications are set out in paragraph 9 of the report, this is an update of estimated costs for an approved budget.

Background Papers and Published Documents

None

Electoral Division(s) and Member(s) Affected

Ward(s): Arnold South

County Councillors: Councillor John Clarke, Councillor Muriel Weisz