

**MUNICIPAL YEAR 2017/2018 REPORT NO.**

**ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY**

**OPERATIONAL DECISION OF:**

Executive Director of Finance, Resources and Customer Services in conjunction with the Cabinet Member for Economic Regeneration and Business Development

<b>Part: 1</b>	<b>KD</b>	<b>KD Num:</b>
<b>Subject:</b> Demolition of Unecol House, 2A & 2B Pegamoid Rd & 3 Princes Rd, N18		
<b>Wards: Edmonton Green</b>		

**REPORT OF:**

The Assistant Director – Strategic Property Services

Contact officer and telephone number:

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**1. EXECUTIVE SUMMARY**

- 1.1** This report seeks approval for the demolition and contract award for the demolition of Unecol House, 2A & 2B Pegamoid Rd & 3 Princes Rd, N18, part of the Phase 1 of the Montagu Industrial Estate (MIE) Redevelopment.
- 1.2** The report also seeks authority to enter into an indemnity agreement with the JV Partner in the event Phase 1 of the MIE redevelopment does not proceed as planned.
- 1.3** Cabinet Report dated 6<sup>th</sup> September 2016, KD 4357 approved the redevelopment proposal and the demolition of Unecol House. This report goes further in seeking approval for the demolition of buildings at 2A & 2B Pegamoid Rd & 3 Princes Rd, N18.
- 1.4** The construction works have been procured following a competitive quotation process via the London Tenders Portal in accordance with Contract Procedure Rules.

## **2 RECOMMENDATIONS**

That the Executive Director of Finance, Resources and Customer Services in conjunction with the Cabinet Member for Economic Regeneration and Business Development approve the following:

- 2.1** The Demolition of Unecol House, 2A & 2B Pegamoid Rd & 3 Princes Rd.
- 2.2** Contract Award to Contractor 'A' for the demolition work relating to the above site
- 2.2** To enter into an indemnity agreement with the Joint Venture Partner to indemnify total scheme expenditure to include demolition works, professional and technical costs and scheme contingency as detailed in Part 2 of this report.

## **3. BACKGROUND**

- 3.1** Cabinet held on 6<sup>th</sup> September 2016 approved the redevelopment of Montagu Industrial Estate and delegated authority to the Executive Director of Finance, Resources and Customer Services to approve the demolition of Unecol House.
- 3.2** The report seeks to expand the scope of the demolition to include 2A & 2B Pegamoid Rd & 3 Princes Rd, units that sit behind Unecol House and represent Phase 1 of the MIE redevelopment.
- 3.3** The tender of a demolition contractor was undertaken via the London Tenders Portal (LTP) under DN number 292409 – Demolition at Unecol House.
- 3.4** Lambert Smith Hampton Building Consultancy Department were appointed to prepare Employer's Requirements and obtain competitive tenders for demolition works at Unecol House, 2A & 2B Pegamoid Rd and 3 Princes Rd, N18 for Enfield Council.

- 3.5 The tender documents were prepared and tenders were invited. The tender return date was set as Friday 8th September 2017.
- 3.6 Tenders were invited from eight contractors, (noted in Part 2 Report) and all submitted a bid as per the tender specification.
- 3.7 The contract for the demolition will be between the preferred Contractor A and the Council's Joint Venture Partner leading the redevelopment of the MIE. The Council will enter into an Indemnity Agreement with the JV Partner to indemnify the costs of the demolition if Phase 1 does not proceed.

#### **4. PROPOSAL**

- 4.1. To award the contract to 'Contractor A' and enter into an indemnity agreement with the JV Partner as proposed in Part 2

#### **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Not to proceed with this demolition risks a critical pathway to achieving the complete redevelopment of the MIE redevelopment.

#### **.6. REASONS FOR RECOMMENDATIONS**

- 6.1 The tender from Contractor 'A' is compliant and is the most economically advantageous tender.

#### **7. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS**

##### **7.1 Financial Implications**

- 7.1.1 Previous KD4357 approved the budget envelope for the Montagu Industrial Estate Capital Project which was inclusive of a demolition budget for Unecol House. The costs set out in further detail in the Part 2 Report can be contained from within this budget at no additional cost to the Council.

## **7.2 Legal Implications**

7.2.1 The local authority has a general power of competence under s1 of the Localism Act 2011 and the proposed demolition of Unecol House and the buildings on 2A & 2B Pegamoid Rd & 3 Princes Rd. is exercisable under s1 subject to the Council obtaining requisite planning permission. The JVP (rather than the Council) will enter into a contract with the Contractor A.

## **7.3 Property Implications**

7.3.1 To meet statutory requirements it is vital to ensure that the Council's financial accounts do not include buildings (or parts of buildings) that have been demolished. To ensure we have high quality records and meet our statutory obligations Education Asset Managers will complete a demolition notification form and return to Property Services.

7.3.2 Once demolished the site should be left in a secure manner with appropriate defences to ward off any trespassers.

7.3.3 A Thames Water pumping station is located within the property. Further due diligence before demolition will have to be undertaken

## **8. KEY RISKS**

8.1 The indemnity agreement is left unsigned and the demolition is not undertaken. This will represent vacant property holding costs for the Council and will affect the Critical pathway for the MIE Redevelopment.

## **9. IMPACT ON COUNCIL PRIORITIES**

### **9.1 Fairness for All**

This contract will assist the Council to deliver its construction related projects and programmes which in turn help support the delivery of services to the benefit of the community.

### **9.2 Growth and Sustainability**

This contract will assist in the procurement of construction related activity within the borough and its associated employment and economic benefits. The Borough needs to ensure appropriate infrastructure is in place to allow for the growth of the population.

### **9.3 Communities**

The provision of good quality infrastructure and employment opportunities helps to ensure a stable strong community.

## **10. EQUALITY IMPACT IMPLICATIONS**

Not Applicable

## **11. PERFORMANCE MANAGEMENT IMPLICATIONS**

11.1 The contract requires the consultant to meet the professional standards of the Royal Institute of British Architects and the Contract. The performance of the consultant will be monitored by the JV Partner and our appointed agents Lambert Smith Hampton.

## **12. HEALTH AND SAFETY IMPLICATIONS**

12.1 All H&S risks will be complied with including the removal of asbestos related materials.

### **13. PUBLIC HEALTH IMPLICATIONS**

13.1 There are no direct public health implications arising from this term contract.

#### **Background Papers**

None.