
Report To: Education and Communities Committee **Date:** 20 January 2015

Report By: Corporate Director Education, Communities & Organisational Development **Report** EDUCOM/18/15/EM

Contact Officer: Eddie Montgomery **Contact No:** 01475 712472

Subject: Use of Powers Delegated to the Chief Executive to accept the lowest tender for Former Greenock Academy Demolition

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee on the use of emergency powers delegated to the Chief Executive to accept the lowest acceptable tender for the demolition of the former Greenock Academy building.

2.0 SUMMARY

- 2.1 The Education Capital Programme included budget provision of £164,000 for the demolition works. The previous aborted tender exercise and securing of the property prior to its temporary use partially utilised the available budget. The building has now been vacated and demolition requires to be taken forward as soon as possible. Tenders have been received and the total cost of the project including allowances for professional fees, direct works and other charges is £231,409. The use of powers delegated to the Chief Executive is required as the cost of the project is £138,409 more than the available budget.

3.0 USE OF EMERGENCY POWERS

- 3.1 Acceptance of the lowest tender for the Former Greenock Academy Demolition was authorised by Councillors Loughran, Brennan and McEleny.

4.0 RECOMMENDATION

- 4.1 It is recommended that the use of emergency powers delegated to the Chief Executive is noted.

Eddie Montgomery
Property Services Manager

5.0 BACKGROUND

5.1 The project comprises the demolition of the former Greenock Academy building which was vacated by the school in summer 2011. The building was declared surplus, scheduled for demolition and this was progressed to tender stage in late 2011. Prior to a demolition contract being let the Authority received an enquiry which led to the building being leased to Shed Media as part of the BBC's production of the Waterloo Road television series. Shed Media took possession in December 2011 and occupied the building until October 2014.

5.2 The following items should be noted:

- £71,000 of the original demolition budget was expended in prior years on security, services disconnections and pre-contract fees incurred in taking the demolition project to tender stage in 2011.
- The building has a significant amount of asbestos to be removed as part of the contract which is reflected in the tender price.

The above are contributory factors accounting for the total cost of the project exceeding the available allowance. It should also be noted however that the lease of the building to Shed Media resulted in considerable economic benefit and promotion of the Inverclyde area through employment and business opportunities for local people and companies.

6.0 PROPOSALS

6.1 It was proposed that the lowest tender received be accepted, that of Reigart Contracts, in the amount of £211,597. The use of emergency powers was requested in order that the project could proceed without delay to: minimise security costs prior to handover to the main contractor, reduce the risk of arson or theft in the period prior to handover to the main contractor and maximise capital expenditure in the current financial year

7.0 FINANCIAL IMPLICATIONS

7.1 The total cost of the project, including allowances for professional fees, services disconnections and other charges is £231,409. The current remaining budget allowance for the project is £93,000.

The funding gap is due to factors outlined in 4.1 above. The proposals to address the gap are outlined in the table below.

7.2 Finance

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
Capital	Education Capital	2015/16 & 16/17	£93,000	n/a	Existing allocation
Capital	Education Capital	2014/15 – 16/17	£80,000	n/a	Remaining 2014/15 and part future years contingency
Capital	Education Capital	2015/16	£58,000	n/a	Reduce St Stephen's HS Demolition allowance from £558K to £500K.

			£231,000		
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The expenditure will therefore be contained within the current Education Capital programme allowances.

8.0 CONSULTATION

- 8.1 The Chief Financial Officer was consulted on this matter and has agreed with the proposals / action taken.
- 8.2 There are no direct staffing implications in respect of the report and as such the Head of Organisational Development, HR and Communications was not consulted.

9.0 LIST OF BACKGROUND PAPERS

- 9.1 Technical Services Tender Report – Greenock Academy Demolition 14/118.