

Wiltshire Council

Cabinet Capital Assets Committee

21st July 2015

Subject: Demolition of East Wing complex Trowbridge and Bridge Centre Chippenham

Cabinet member: Cllr Toby Sturgis Cabinet Member for Strategic Planning (strategic and development management), Property, Waste and Strategic Housing)

Key Decision: No

Executive Summary

The council has a long standing business plan commitment to continue to rationalise its property portfolio. At the same time the council is actively working to promote the economic wellbeing of the county as a whole and Trowbridge and Chippenham specifically. To further this agenda the opportunity to demolish both the East Wing complex and Bridge Centre Chippenham has presented itself. The predicted cost of the demolition of both the East wing Complex and the Bridge centre is between £1m to £1.27m

Before demolition can commence, each of the buildings needs to be vacant so that utilities can be disconnected. There are a number of council services staff and 3rd party groups occupying buildings at the two sites. These include...

- Library Service
- Wiltshire and Swindon Learning Resource centre
- Bustard Club (notice served, will vacate by 31st October 2015)
- Learning and Development team
- Unison
- Chippenham Folk Festival
- Paper and Equipment Storage (purge, cataloguing and removal already underway)

As well as the costs of the physical demolition of the buildings, there will be associated costs for the relocation of the above services from the Chapmans building. Funding for the demolition of Chapmans is not available until after April 2016 and relocation costs of services need to be quantified. As such the demolition of Chapmans will form phase 2 of the demolition and will commence post April 2016 subject to further approval.

A further option in respect of the Bridge centre is the potential to turn it into a carpark prior to it being redeveloped. The options for car parking include a pay and display, staff car parking or residents permit parking. The viability for car parking and whether this investment pays back will be dependent on the speed at which the site can be redeveloped.

Proposal(s)

Authorise the Head of Strategic Asset and Facilities Management to proceed with the demolition East Wing complex Phase One and treat it as a 'cost of sale'.

Authorise the Head of Strategic Asset and Facilities Management to proceed with the demolition of the Bridge Centre and treat as a 'cost of sale'. Execute this demolition in line with option one- demolition and clearance.

Authorise the Head of Strategic Asset and Facilities Management, in consultation with the Cabinet member for property to secure vacant possession of the Bridge centre site.

Reason for Proposal

To support the ongoing rationalisation of the Council's estate and prepare the sites for sale.

Barry Pirie

Associate Director People and Business

Wiltshire Council

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Key Decision: **No**

1. Purpose of Report

- 1.1. To outline the phasing and process for the demolition of both East wing complex Trowbridge and the Bridge centre Chippenham.
- 1.2. To seek authorisation to relocate existing services and groups currently occupying the buildings to alternative accommodation.

2. Relevance to the Council's Business Plan

- 2.1. The council has a long standing business plan commitment to continue to rationalise its property portfolio. At the same time the council is actively working to promote the economic wellbeing of the county as a whole and Trowbridge and Chippenham specifically. Both Trowbridge and Chippenham represent 'principle settlements' as defined by the core strategy. The principle settlements are strategically important centres and the primary focus for development. This will safeguard and enhance their strategic roles as employment and service centres.

3. Main Considerations for the Council

- 3.1. The predicted cost of the demolition of both the East wing Complex and the Bridge centre is between £1m to £1.27m
- 3.2. Before demolition can commence, each of the buildings needs to be vacant so that utilities can be disconnected. There are a number of staff from different council services and 3rd party groups currently occupying the buildings at the two sites. The East Wing site is also used for storage of paper and equipment. These include...
 - Library Service
 - Wiltshire and Swindon Learning Resource centre
 - Bustard Club (notice served, will vacate by 31st October 2015)
 - Learning and Development team
 - Unison
 - Chippenham Folk Festival
 - Paper and Equipment Storage (purge, cataloguing and removal already underway)

- 3.3. Funding for the demolition is only available to cover phase one of the East Wing complex and the Bridge Centre. this means that Chapmans will remain in situ until April 2016.
- 4.
- 4.1. As well as the costs of the physical demolition of the buildings, there will be associated costs for the relocation of the above services. After a number of discussions with local agents and a search on-line, the general consensus is that there is a real shortage of industrial space for the size required by the Library Service and WSLR centre. A number of units are either let or the quality of the accommodation will not suit the space requirements for these services These Alternative locations are
- 4.2. The demolition of the Bridge Centre can be achieved within 7- 9 months and is likely to be redeveloped within 2 years. As such the provision of car parking at the site will not pay back in time.
- 4.3. One of the out buildings in the bridge centre is currently used by the Chippenham Folk Festival and the nature of their occupation is unclear. Negotiations to relocate this use are ongoing at this time.

5. Background

- 5.1. Both the East Wing complex and the Bridge Centre represent strategic sites within Trowbridge and Chippenham respectively.
- 5.2. The East Wing complex is made up of 6 buildings as shown in figure 1. While the intention for a number of years has been to sell the East Wing complex, it forms part of the wider aspirations of regeneration and potential campus proposals in Trowbridge. Economic Development and Planning are leading the development of a masterplan and feasibility for the redevelopment of the site.

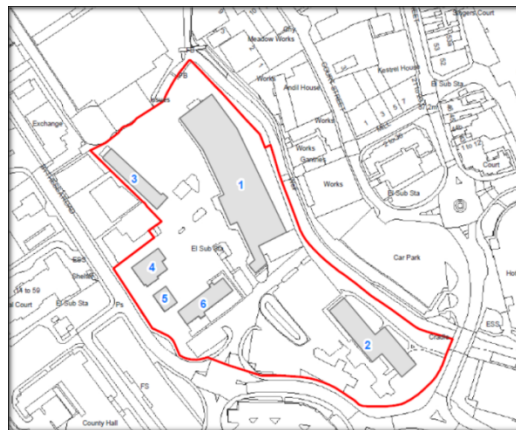


Figure 1: East Wing Site plan

- 5.3. The Bridge Centre, shown in figure 2, was subject to a development agreement pre Nov 2014. CCAC subsequently agreed the following in terms of the development agreement back in Nov:
- To allow the Development Agreement to end on the 18th of November without further extension;
 - To authorise officers to work with local partners and the community to produce a development brief for the site which will meet the needs of the town in the future as outlined in the Chippenham Masterplan.

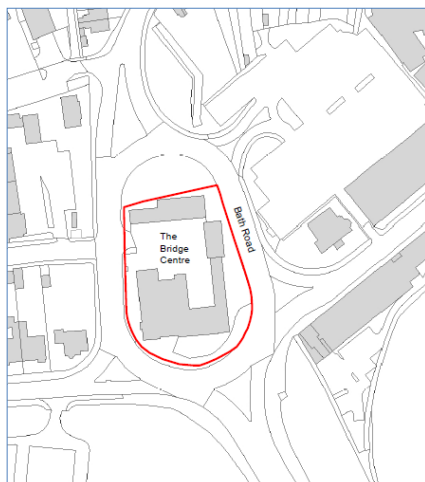


Figure 2: Bridge Centre, Chippenham

5.4. In order to further the redevelopment of both sites and deliver the wider regeneration aspirations in both towns, the sites are to be demolished. The demolition of the sites will also aid the marketing and ultimate sale of the sites by increasing the attractiveness of the sites for redevelopment.

6. Demolition of East Wing Complex

6.1. Half the buildings standing on the East Wing site are void while the remainder are occupied by either council or third parties. The predicted revenue cost of keeping site in its current state for 2015/2016 is approximately £221,654.

6.2. The current status of the buildings and their running costs are summarised in table 1. The learning and development service is in the process of being relocated and the Chestnuts building will be vacated by September. This would leave only the Bustard Club (until 31st October) and Chapman's as occupied buildings.

6.3. Notwithstanding the users of the buildings, the area around the building is currently used as a staff carpark. These car parking spaces will be impacted by the process of demolition as contractors set up on site and make the area safe during demolition.

Key	Building	Status	Occupier	Current building revenue cost
1	Chapman's	occupied	Swindon and Wiltshire Learning resource centre IT Library Central Service Storage	£70,763
2	East Wing Building	vacant	N/A	£127,194
3	Old Brook House	vacant	N/A	£4,080
4	Bustard Club	Occupied (until 31 st October)	Third party social club	£6,289
5	New Brook House	vacant	N/A	£4,073
6	Chestnuts	occupied	Learning and development service	£9,253
Total				£221,654

Table 1: East Wing Complex current status

6.4. Indicative timings suggest that the entire site can be demolished within 32-36 weeks. However given that funding does not exist to cover the demolition costs of the Chapman's or the costs of relocating the library service the demolition is to be phased. The demolition will be carried out in 2 phases as set out in table 2.

Phase	Building	Predicted demolition time	Projected Costs
1	Old Brook House	16-18 weeks	£400- £450k
	New Brook House		
	Chestnuts		
	Bustard Club		
	East Wing Building		
2	Chapman's	16 weeks (inc 12 weeks for asbestos removal)	£250k-£350k
Demolition Total			£650k – £800k
Surveys			£14k-£17k
Contingency @ 15%			£98k- £122k
Total		32-34 weeks	£850k-£939k

Table 2: projected cost for the demolition of Easting Complex

6.5. The predicted demolition cost of the East Wing Complex is between **£850,000 and £939,000**. This includes the cost of asbestos removal from all of the buildings which is estimated to be £381,936.

6.6. Demolition consent for the entire site has been secured following submission in May. This should mean that application is determined in early June. Between then and now, further investigative works are being undertaken and quotes for contractors and consultants are being sought.

6.7. The physical demolition of the buildings is dependent upon utilities being disconnected. Disconnecting utilities is dependent on vacant possession of the buildings and supplier and District Network Operator workload. Assuming all notifications have been served, the disconnection process is likely to take 4 weeks. The steps involved in disconnection can be summarised as...

- Supplier removes meter
- Supplier sends data flow to DNO saying meter is removed
- DNO book in removal supply (dependent on their workload)
- DNO attend, there are no issues and supply can be removed
- Supply removed

6.8. . Due to lease arrangements, vacant possession of the Bustard Club will be secured until the end of October 2015. Following vacant possession of the Bustard Club, the process of disconnection can be implemented allowing phase 1 of the demolition to be commenced from the 1st November.

6.9. The East Wing building is also vacant; however the gas connection to Chapmans is routed via the East Wing Building. As such, disconnection of East Wing will require alternative heating supply for Chapmans to be secured until phase 2 is underway post April 2016.

6.10. Between now and April 2016, further work will be undertaken to quantify the costs and practicalities of relocated the library service and WSLR centre.

An indicative timeline has been prepared (appendix 1) showing the main stages of the demolition.

7. Demolition of Bridge Centre Chippenham

7.1. The Bridge Centre is a less complicated site than the East Wing Complex. As such the demolition of the site will be less complicated and costly. The estimated cost of demolition and clearance of the site is estimated to be £150,000. Demolition of the Bridge Centre is likely to take between 7 to 9 months.

7.2. The main part of the Bridge Centre is already vacant but one of the out a buildings is used for storage by the Chippenham Folk Festival. It would seem that this arrangement dates back to before the formation of Wiltshire Council and the nature of the agreement is un-defined. This has the potential to impact on the ability of the council in securing vacant possession of the site. Since direct delivery of youth activity ended at the site attempts have been made to provide suitable alternative accommodation. These negotiations have, to date, proved unsuccessful but are ongoing.

7.3. The council's Economy and Planning service is working on a development brief for the site and it is expected that redevelopment will commence within 18 months to 2 years. The key consideration for this site is whether to turn it into a carpark prior to it being redeveloped. Table 3 shows the various options, additional costs, income and pay back for various parking options.

	Nature of the works	Demolition costs	Additional cost	Total	Estimated income p.a	Estimated annual running cost
Option 1 Demolition only	Demolition and clearance of site only	£150,000	None	£150,000	n/a	n/a
Option 1 Permanent Pay and display carpark	Resurfacing with tarmac, associated highway works	£150,000	£133,000	£288,000	£50,000	£4,000
Option 2 Staff permit only	Loose gravel with permit only enforcement	£150,000	£45,000	£195,000	None	£4,000
Option 3 Shop workers long stay	Loose gravel with permit only enforcement	£150,000	£45,000	£195,000	£14,560	£4,000

Table 3: Estimated costs of each option

7.4. There is one existing vehicle access into the Bridge Centre located on the western side. This serves both in and out movements. If converted to a car park this arrangement will be inadequate due to the increased vehicle numbers and the potential danger of vehicles turning in having to turn across outbound vehicles. To avoid this, outbound vehicles would have to be directed onto the offside of the exit which is counter intuitive. A better option would be to split the inbound movements from the outbound by creating a new exit on the eastern side and utilising the existing access point for inbound only. The position of the new exit will need some careful thought to provide both sufficient visibility to traffic on the bridge centre circulatory and for those exiting the car park to have sufficient room and time to get into the correct lane of the gyratory.

7.5. As well as alterations to the access, the provision of a carpark will create a larger surface catchment area than currently exists. Current practise from

Wessex Water and the Environment Agency is that discharge rates should match that being experienced prior to development taking place. In practise this means that some form of onsite attenuation and a controlled rate of discharge will be required. This can be achieved through buried tanks or shallow pipes under the new car park construction.

7.6. While it is possible to reshape the site into a carpark following demolition, it does not make financial sense to do so. Implementing option 1 would require a carpark to generate £70,000 in income to pay back within the 2 year redevelopment time frame. While the options are cheaper to implement, their potential incomes are lower (or nil) which extends the payback period. If income targets are missed or the redevelopment of the site is brought forward, the council would retain the financing and interest costs over a 25 year period.

7.7. Demolition of the Bridge Centre is likely to take between 7 to 9 months. A detailed plan will be drawn up once confirmation has been received in respect of the approach to carparking

8. Safeguarding Implications

8.1. None

9. Public Health Implications

9.1. The appointed contractors would hold the relevant public liability insurance and need to comply with the latest best practice. Both sites will be secured during the demolition process in order to minimise any risk to the public and staff. Specialist contractors will be used for the removal of asbestos from the buildings in a controlled way.

10. Corporate Procurement Implications

10.1. Consultants are being procured following the councils procurement procedure. Following procurement of a consultant, a contractor will be sourced. This will require a tender as per the council's procurement process.

11. Equalities Impact of the Proposal (detailing conclusions identified from Equality Analysis, sections 4 and 5)

11.1. None

12. Environmental and Climate Change Considerations

12.1. The demolition of and ultimate disposal of the East Wing complex and Bridge Centre will remove these buildings from the councils portfolio. This will have a knock on impact on the energy consumption.

12.2. The execution of the demolition will ensure that, while asbestos is removed from site, spoils will be left on situ. This will allow the future developer to use the spoils as aggregate for the development. This will reduce the amount of vehicle movements required to bring material to the site.

13. Risk Assessment

Risks that may arise if the proposed decision and related work is not taken

13.1. Keeping both sites in situ increases the potential for the sites being a target for vandalism and graffiti. As well as this being a reputational risk, it

runs counter to the objective of regenerating the towns of Chippenham and Trowbridge.

- 13.2. The demolition of the sites will enable them to be presented as 'development ready' in order to further the regeneration aims in both Chippenham and Trowbridge. Furthermore works to demolish the site serve to remove barriers to redevelopment. As such leaving the sites standing, and leaving the demolition and clearance to the developer could impact on the development potential of the sites.

14. Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

- 14.1. The key risk with the demolition of each site is securing vacant possession of the buildings. For The East Wing vacant possession will require the re-location a number of services including, libraries, IT, Learning Development and Unison. Failure to relocate these services will result in a delay to the overall demolition programme. Furthermore it will result in additional costs for increased utilities, NNDR and potential costs for remedial works following the electrical safety check in February. 2016.
- 14.2. Disconnection of utilities is a notorious fickle process which relies on both the supplier and district network operator (DNO) and is outside the influence of the council. As such the disconnection could add significant delay to the process. This could be further exacerbated by a delay in relocated staff and storage from the various buildings. Any delay in securing vacant possession will delay the contract and have cost implications.
- 14.3. The cost of demolition is expected to be funded as a 'cost of sale' meaning it will be netted off the final capital receipt of the sale of the site. Failure to sell the site, or otherwise achieve a lower than expected sale price will mean the funds cannot be recouped.
- 14.4. It should be noted that continued use of the East Wing car park whilst demolition works are being carried on may have safety implications for employees using the car park and its use will have to be effectively managed to ensure the safety of users. The contractor will be required to provide adequate public liability insurance and to indemnify the Council in respect of all costs, claims, liabilities etc.

15. Financial Implications

- 15.1. The combined cost for the demolition of both the East Wing Complex and the Bridge centre are predicted to be between £1m and £1.27m. Split into 2 phases the demolition can be financed in two parts from the Capital Financing Review. Both phase one of the East Wing complex and the Bridge Centre will be funded in 2015 while phase 2 of the East Wing demolition (Chapmans) will be funded in 2016.

16. Legal Implications

- 16.1. Any delay in securing vacant possession will delay the contract and have cost implications. Unison appears to have a long standing informal arrangement (in property terms) with the Council as to occupation of one of the buildings. They do not pay rent, so whilst it might be unlikely that they would be able to claim a secure business tenancy, this might be a risk.

16.2. Where alternative accommodation for staff (and/or Unison) cannot be found, a lease in property might need to be found and terms negotiated.

16.3. The only users of the Bridge Centre are the Chippenham Folk Festival who use part of a building for storage. Their occupational basis is long standing and uncertain but appears to have been informal since Wiltshire Council took over the property. There is a lack of documentation regarding their occupation. However, it appears that Wiltshire Council has not required them to pay rent. Therefore, whilst it might be unlikely that they would be able to claim a secure business tenancy, this might be a risk.

16.4. They have been requested to enter into a formal arrangement (which would take away any security of tenure which they might possibly have gained) and enable the Council to charge them some contribution to running costs. They have resisted this. They have also been offered other accommodation but so far this has been unsuitable. They no longer seem to be engaging with the Council. This situation will need to be resolved so that vacant possession can be obtained and any delay of the contract, avoided

17.Options Considered

- Leave the buildings in situ

18.Conclusions

19.Proposal

Authorise the Head of Strategic Asset and Facilities Management to proceed with the demolition East Wing complex Phase One and treat it as a 'cost of sale'.

Authorise the Head of Strategic Asset and Facilities Management to proceed with the demolition of the Bridge Centre and treat as a 'cost of sale'. Execute this demolition in line with option one- demolition and clearance.

Authorise the Head of Strategic Asset and Facilities Management, in consultation with the Cabinet member for property to secure vacant possession of the Bridge centre site.

20.*Reason for Proposal

To support the ongoing rationalisation of the Council's estate and prepare the sites for sale.

Barry Pirie
Associate Director People and Business

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Background Papers

The following documents have been relied on in the preparation of this report:

None

Appendices

Appendix 1: indicative timescale

Appendix 1: indicative timeline.

