

Report to Cabinet

15 March 2023

Subject:	Demolition Framework 2023-2027
Cabinet Member:	Councillor Peter Hughes Cabinet Member for Regeneration and Growth
Director:	Tony McGovern Director of Regeneration and Growth
Key Decision:	Yes
Contact Officer:	Mark Drake, Strategic Lead Design Manager, Urban Design, Regeneration & Growth mark_drake@sandwell.gov.uk

1 Recommendations

- 1.1 That approval be given to authorise the Director of Regeneration and Growth, in consultation with the S151 Officer, Director of Law & Governance-Monitoring Officer and the Cabinet Member for Regeneration & Growth, to commence procurement of contractors for a demolition framework agreement to undertake demolition works on council managed properties in accordance with the public procurement rules, the Council's procurement and contract procedure rules and financial regulations.
- 1.2 That the Director of Regeneration and Growth be authorised to award contracts to the successful demolition framework contractors in accordance with 1.1 above.
- 1.3 That subject to 1.1 and 1.2 above, the Director of Law and Governance & Monitoring Officer be authorised to enter into and execute under seal as may be required, any documentation in relation to the award of framework contract and/or other agreements with the procured contractor(s) as deemed necessary.



1.4 That any necessary exemption be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to in 1.1 above to proceed.

2 Reasons for Recommendations

2.1 To seek approval to procure, award and enter into contract with the successful demolition contractors on a 4-year demolition framework agreement to undertake demolition of Council managed properties for the duration of the framework agreement.

2.2 The Council currently operates a successful demolition framework agreement, this ends in March 2023. The new framework needs to be in place before the current one ends to provide the Council with a continuity of demolition options and resources.

3. How does this deliver objectives of the Corporate Plan? (select relevant category and incl. narrative how deliver)

3.1 The proposed demolition framework will contribute directly and indirectly to all of the Council's Ambitions. Its main objective is to deliver cleared sites for subsequent regeneration of areas and redevelopment projects.

3.2 Demolition allows redevelopment, delivering sites for new housing, new education spaces, improvements to community assets, improvements to transport links, and will support the creation of new jobs and learning opportunities.

- *Ambition 1 – Sandwell is a community where our families have high aspirations and where we pride ourselves on equality of opportunity and on our adaptability and resilience.*
- *Ambition 2 – Sandwell is a place where we live healthier lives and live them for longer, and where those of us who are vulnerable feel respected and cared for.*



- *Ambition 3 – Our workforce and young people are skilled and talented, geared up to respond to changing business needs and to win rewarding jobs in a growing economy.*
- *Ambition 4 – Our children benefit from the best start in life and a high quality education throughout their school careers with outstanding support from their teachers and families.*
- *Ambition 5 – Our communities are built on mutual respect and taking care of each other, supported by all the agencies that ensure we feel safe and protected in our homes and local neighbourhoods.*
- *Ambition 6 – We have excellent and affordable public transport that connects us to all local centres and to jobs in Birmingham, Wolverhampton, the airport and the wider West Midlands.*
- *Ambition 7 – We now have many new homes to meet a full range of housing needs in attractive neighbourhoods and close to key transport routes.*
- *Ambition 8 – Our distinctive towns and neighbourhoods are successful centres of community life, leisure and entertainment where people increasingly choose to bring up their families.*
- *Ambition 9 – Sandwell has become a location of choice for industries of the future where the local economy and high performing companies continue to grow.*
- *Ambition 10 – Sandwell now has a national reputation for getting things done, where all local partners are focused on what really matters in people’s lives and communities.*

3.3 Many buildings identified for demolition through the demolition framework include hazardous materials such as asbestos or may be structurally unsafe or subject to anti-social behaviour. Demolition of these buildings safely removes these hazards and clears sites paving the way for construction of new, modern, safe and energy efficient buildings and improved facilities. Ambitions 1, 2, 5



- 3.4 The demolition framework will be used to safely demolish buildings and clear sites in advance of other Council schemes including the construction of new homes, new schools, leisure facilities and traffic management improvements. Ambitions 4, 6, 7, 8
- 3.5 Derelict buildings attract crime and anti-social behaviour, demolition of these buildings assists in lowering crime and improving the local environment. Ambition 5.
- 3.6 The demolition framework encourages the successful contractors to employ local businesses and people. Ambition 3
- 3.7 Demolition and clearance of buildings/sites attracts new businesses to Sandwell. Ambition 9
- 3.8 Previous demolition frameworks have been used by external bodies as a mechanism to get their demolition projects completed. The proposed demolition framework will continue to offer this specialist service to external bodies notably the West Midlands Combined Authority and its seven constituent local authorities and other public sector within the West Midlands Combined Authority's area. Ambition 10.

These public sector bodies include:

West Midlands Combined Authority, and

Birmingham City Council,
Wolverhampton City Council,
Coventry City Council,
Walsall Metropolitan Borough Council,
Dudley Metropolitan Borough Council,
Solihull Metropolitan Borough Council, and

Educational establishments within the West Midlands Combined Authority area, maintained by the Department for Education including schools,



universities and colleges but not independent schools, as described in the InTend Notice, and

Registered Social Landlords (Housing Associations) and Third Sector and Charities in the United Kingdom, within the West Midlands Combined Authority area, as described in the InTend Notice, and

Central Government Departments, Local Government and Public Corporations that can be accessed at the Public-Sector Classification Guide, as described in the InTend Notice, and

NHS Bodies within the West Midlands Combined Authority area, as described in the InTend Notice.

4. Context and Key Issues

4.1 Sandwell Council has a number of current initiatives including the Housing Investment Programme, Towns Fund, Levelling Up Fund that will require demolition works to be undertaken in advance of the Council's redevelopment proposals.

4.2 The Council has successfully completed previous demolition frameworks for the years 2005 to 2010, 2010 to 2014, 2014 to 2018 and currently manages the 2019-2023 demolition framework which is due to complete in March 2023.

4.3 In order to ensure continuity of the demolition works a new 4-year demolition framework is proposed to commence April 2023.

4.4 The Council intends to invite competitive tenders from relevant and suitably qualified and experienced demolition contractors to undertake demolition of buildings and associated works up to a value of £20m. The works include but may not be limited to the following:

- Pre-demolition works – boarding up, securing buildings and land



- Pre and post demolition surveys – asbestos, topographical, underground services, drainage, ecology, hazardous materials, structural.
- Site fencing
- Site security
- Asbestos removal
- Hazardous materials removal including sharps and drug paraphernalia
- Soft strip
- Demolition works using a variety of demolition techniques, mechanical, high reach, deconstruction, explosives, robotics.
- Excavation of foundations
- Backfilling voids
- Grading and filling
- Invasive species removal and treatment
- Civil engineering
- Ground remediation
- Emergency call outs and works
- Design of temporary structures

4.5 Tender selection will be based on a 60% Price 40% Quality split to determine the most economically advantageous tenders. It is proposed to appoint three contractors to the framework.

4.6 The framework agreement will be available to use by Sandwell MBC internal Directorates and other local public sector bodies subject to Access Agreements being completed by the relevant public body.

4.7 The contract will include works where the Council is acting as agents for external public clients, this will generate income through fees and access agreements, the current framework 2019-2023 has generated £140,000. This has also led to Sandwell being employed by external public clients for other works such as site investigations etc.



- 4.8 Historically the volume of work delivered through similar frameworks amount to approximately £4m per annum. The cost of the 2023-2027 framework will be £20m. The works range in size from rows of garages to high rise demolition projects and values range from £1,000 to over £1,000,000 dependent upon the extent, location and nature of the works. Works can be located in relative isolation or within a built up environment.
- 4.9 The framework is an access vehicle for use by individual council Directorates and public sector bodies within the area of the West Midlands Combined Authority. It is anticipated the spend will be split will 50/50.
- 4.10 The Council has no overall demolition budget. Demolition projects will be identified by the relevant Directorate during the project development stage and finance for demolition works will subject to the Council's approval procedures.
- 4.11 The Council accepts no liability in respect of any financial or contractual consequences incurred by the contractors as a result of the amount of work ordered or not ordered under the contract.
- 4.12 As a public body using public resources, the Council must ensure that all procurement activity is transparent and proportionate, and that all bidders are treated equally and without discrimination throughout its processes.
- 4.13 The Councils Procurement and Contract Procedure Rules apply to all contracts with outside organisations or people, including agreements with or on behalf of other public sector organisations and partner agencies, where there is an agreement to supply materials, goods, services or works, in return for money or payments in kind, whether that agreement is formal or informal. This includes:
- a) purchasing of all materials, goods, services or works; and
 - b) instruction of outside experts or consultants under contracts for services.



- 4.14 The Councils Procurement and Contract Procedure Rules Section 3.3(c), requires Cabinet to award all contracts with total value above the key decision threshold of £1million+
- 4.15 Section 3.3(d) of the Procurement and Contract Procedure Rules requires Cabinet approval for exemptions from these rules for contracts with a total value above the key decision threshold.
- 4.16 It is proposed to seek exemption under this rule for Cabinet to approve Delegated authority
- 4.17 The corporate risk management strategy will be complied with to identify any risks associated with the recommendation to be sought. For any risks identified, measures will be in place to mitigate risks to acceptable levels.
- 4.18 The demolition framework agreements will adhere to the Councils social value policy by providing key opportunities to meet the Council's key criteria requirements by proving value for money in terms of generating benefits to society and the economy e.g. employment and skill, health and wellbeing, whilst minimising the impact on the environment.

5 Alternative Option

5.1 The alternative option to the demolition framework is that demolition projects are undertaken as individually and are procured on a project by project basis. This would result in the following:

- additional procurement costs;
- extended programme to appoint a contractor;
- inability to react quickly to urgent works;
- potential loss of income from external clients;
- loss of opportunity to develop close working relationship with specialist demolition contractor(s) and other local public sector bodies.



6 Implications

<p>Resources:</p>	<p>Consultation with procurement services and internal resources are currently being explored to capture timeline of procurement requirements and to ensure resources are effectively managed to serve best value and minimise impact on resources.</p> <p>The demolition framework covers specific works for demolition and land remediation projects.</p> <p>The demolition framework includes for emergency “call out” works for isolated instances where a contractor is required to attend site at short notice on an urgent basis.</p> <p>Individual Works Package Orders will be let under the demolition framework for Council projects only when approvals from the respective Cabinet/Director for budget expenditure has been confirmed for the project.</p>
<p>Legal and Governance:</p>	<p>The demolition framework will be procured and awarded in accordance with the Council’s Contract and Procurement Procedures and Public Contract Regulations 2015. Procurement Services have been consulted and are supportive of the proposed recommendations</p>
<p>Risk:</p>	<p>The demolition framework makes no financial commitment or guarantee of levels of work to be let under the agreement.</p> <p>Main risks for this particular tender are:</p> <ul style="list-style-type: none"> - Risk that there is not sufficient time to complete the procurement (only 3 months) - Risks of insufficient tenders received - Risk that other public bodies do not use the framework and results in lost income <p>To be assessed for individual projects as part of the respective Cabinet/Director approval process.</p>



Equality:	To be assessed for individual projects as part of the respective Cabinet/Director approval process.
Health and Wellbeing:	To be assessed for individual projects as part of the respective Cabinet/Director approval process.
Social Value	Social Value will be considered during the procurement process and will included within the evaluation process. To be assessed for individual projects as part of the respective Cabinet/Director approval process.
Climate Change	To be assessed for individual projects as part of the respective Cabinet/Director approval process: The main climate initiative would be the high levels of recycling requirement within the framework documents and are intended to be monitored in the overall framework KPI processes.

7 Background Papers

None

8 Appendices

None

