

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

15 JUNE 2006

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Regeneration and Transport - Lead Cabinet Member - Councillor Cook

REGENERATION OF BILLINGHAM TOWN CENTRE – DEMOLITION OF FORUM HOUSE AND THE FORMER LA RONDE NIGHTCLUB IN BILLINGHAM TOWN CENTRE

1. Summary

The purpose of this report is to seek approval for the release of additional capital resource for the demolition of two derelict buildings in Billingham Town Centre, namely Forum House and La Ronde nightclub as the precursor to the redevelopment of Billingham Town Centre.

2. Recommendation

It is recommended that Members:

- 1) Note the content of this report.
- 2) Approve revised total expenditure of £435,850 and approve use of additional Capital resources of £48,551 to be drawn down from the £1 million Capital Resource to facilitate the redevelopment of Billingham Town Centre.

3. Reasons for the Recommendations/Decision(s)

The demolition of Forum House and La Ronde contributes to the Council's plan for the regeneration of Billingham Town Centre by removing two prominent visually detractive buildings and the potential risk to public health and safety arising out of the deteriorating condition of the buildings.

4. Members Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (paragraph 10 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held, whilst the matter is being considered; not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc.; whether or not they are a member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting, and if their interest is prejudicial, they must also leave the meeting room during consideration of the relevant item.

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**REGENERATION OF BILLINGHAM TOWN CENTRE – DEMOLITION OF FORUM HOUSE AND
THE FORMER LA RONDE NIGHTCLUB IN BILLINGHAM TOWN CENTRE**

SUMMARY

In August 2005, Cabinet approved recommendation to Council to grant approval to demolish two derelict buildings in Billingham Town Centre, namely Forum House and the former La Ronde nightclub. The total expenditure of the demolition works was estimated at £340,500.

RECOMMENDATIONS

It is recommended that Members:

- 1) Note the content of this report.
- 2) Approve revised total expenditure of £435,850 and approve use of additional Capital resources of £48,551 to be drawn down from the £1 million Capital Resource to facilitate the redevelopment of Billingham Town Centre.

BACKGROUND

As a precursor to the proposed redevelopment of Billingham Town Centre, in August 2005 Members agreed to the demolition of two derelict buildings namely Forum House and the former La Ronde Nightclub. These two buildings are potentially hazardous on health and safety grounds and have become visually detractive. The demolition of these two buildings was identified as one of the top ten priorities in the Billingham Town Centre Regeneration stage one public consultation exercise carried out in 2005.

DETAIL

1. Approval for the demolition of Forum House and the former La Ronde nightclub was granted following a Cabinet Decision on 11th August 2005.
2. The report indicated that the estimated cost of demolition would have to be reviewed following structural and asbestos surveys.
3. Surveys were undertaken, and in October 2005 a pre-tender estimate for demolition and associated fees amounted to £360,000.
4. Following the pre-tender estimate the capital programme budget was set at £360,000.

5. Prior to the tenders being submitted, the extent of the demolition works was changed to include the complete removal of the roof slab and a reduction in height of the central core to match the outside parapet of the spiral ramp.
6. This proposal required additional design checks by Arups, the design consultants for the works, to prove that the remaining building will be stable together with extra works costs for demolition and making good of the structure.
7. A tender for the demolition works of £341,750 from Controlled Demolition was accepted in April and works commenced on 15 May. The acceptance and start date also took into account the need to complete the demolition of Forum House before the start of Billingham Festival in mid July. The programme of works is for the Forum House demolition to be complete by 14 July and La Ronde by 28 July.
8. The increased scope of the demolition works at La Ronde has also had an affect on access to the Kingsway and Queensway House car park. With the original proposal it had been anticipated that a two week temporary closure of the car park access via the spiral ramp would be required. As a result of the change in scope of works it has become apparent that the access ramp will need to close for nine weeks. As this is now considerably longer, it has been decided to provide a temporary replacement car park. This will be located at the Billingham Community Centre adjacent to the Causeway. The additional cost of this work including making good is around £12,000.
9. The La Ronde building and to a lesser extent Forum House have, over the years, become infested with pigeons. The extent of this problem only became clear following the survey works and it became apparent that a pre- demolition clean up would be required. This has cost an additional £16,800.
10. A major problem with demolition works in urban areas is that it can attract claims from adjacent property owners for alleged damage arising from the works. In preparation for any such claims it has been considered prudent to carry out a pre and post demolition survey of the nearest properties. The additional cost of this work is £7,500.
11. Other miscellaneous costs have been included in the latest estimate to cover additional security, additional information boards and a contingency item to cover changes to the works.

Item	Pre-tender Estimate 2005 (£'000)	Current Estimate May 2006 (£'000)
Demolition of Forum House & La Ronde	323.5	341.75
Asbestos Survey	3.2	1.7
Consultants Fees	28.3	28
SBC Fees	5	6
Total	360	377.45
Additional Works *		58.4
Grand Total		435.85

* Additional Works

Guano removal	£16,800
Building Survey	£ 7,500
Temporary Car Park	£12,000
Additional Security	£ 2,100
Sign Boards	£ 2,000
Extra Consultants Fees	£ 8,000
Contingencies	£10,000

FINANCIAL AND LEGAL IMPLICATIONS

Based on revised estimates, the full cost and its funding is shown below. An increased income from the K2 surrender premium together with a contribution from Tristar Homes has reduced the requirement for the additional funding. SBC capital originally approved was £270,563 additional resources now required are £48,551.

Item	Current Estimate May 2006 (£)
Demolition of Forum House & La Ronde	341,750
Asbestos Survey	1,700
Consultants Fees	28,000
SBC Fees	6,000
Additional Works	58,400
TOTAL COSTS	435,850
SBC Revenue	10,000
K2 Surrender Premium	93,236
Tristar Homes	13,500
SBC Capital Resources	319,114
Grand Total	435,850

RISK ASSESSMENT

The initial surveys completed for the two derelict buildings, which identified their poor condition and a medium risk of injury or damage to persons or property in the vicinity of the buildings due to falling debris. However, with the continued deterioration of the buildings it was thought that this risk would progress to the high category.

A risk to the health and safety of persons and property in the vicinity of the building was also identified. This is a low to medium risk and will be controlled by application of the relevant regulations by the Council and its contractor.

COMMUNITY STRATEGY IMPLICATIONS

Environment

The demolition of Forum House and La Ronde will remove two unused buildings that over the last few years have become symbols of the town centre's decline. Demolition of these buildings will provide a visible start to the regeneration process.

Economic Regeneration

Revitalise Billingham Town Centre, which will impact positively on the further regeneration of the Borough.

CONSULTATION INCLUDING WARD/COUNCILLORS

The first stage of public consultation on the regeneration of Billingham Town Centre was carried out in summer 2005. The demolition of Forum House and the former La Ronde nightclub was identified as one of ten top priorities in feedback from the exercise.

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Background Papers

Report to Cabinet – 11th August 2005.

Ward(s) and Ward Councillors:

Billingham Central – Cllr Teesdale and Cllr Woodhouse
Billingham East – Cllr Cunningham and Cllr Stoker
Billingham North – Cllr Leckonby, Cllr Dewison and Cllr Mrs Apedaile
Billingham South – Cllr Smith and Cllr Mrs O'Donnell
Billingham West – Cllr Womphrey and Cllr Mrs Womphrey

Property Implications

Forum House & La Ronde (former K2 nightclub), Billingham Town Centre