

North Lanarkshire Council Report

Housing Committee

Does this report require to be approved? Yes No

Ref: HO DM 24 048 (NLC-SLP-24 118)

Date: 07 May 2025

Homologated Contract Award for Coursington, Allan and Draffen Demolition

From Stephen Llewellyn, Chief Officer (Housing)

E-mail starbucks@northlan.gov.uk

Siobhan Starbuck,
Contract Strategy
Manager via MS
Teams

Executive Summary

Committee is asked to acknowledge the actions of the Depute Chief Executive to award a contract for the demolition of Coursington, Allan and Draffen Towers (the 'Agreement') to Thompsons of Prudhoe Limited.

The Contract is for a period of 14 months which commenced in March 2025.

It was necessary to award this contract to allow the demolition works to progress following the mutual termination of the original contract.

The value of the Contract shall not exceed Five million, Six hundred and Ninety-Five Thousand, One hundred and Seventy pounds and Twenty-Two pence (£5,695,170.22) exclusive of VAT.

Recommendations

It is recommended that Housing committee acknowledges the actions of the Depute Chief Executive for the award of the Agreement to Thompsons of Prudhoe Limited at the value of Five million, Six hundred and Ninety-Five Thousand, One hundred and Seventy pounds and Twenty-Two pence (£5,695,170.22) exclusive of VAT.

This recommendation followed the completion of a procurement procedure, where the tender recommended for award was evaluated as providing the most economically advantageous tender in terms of cost and quality for the Council.

The Plan for North Lanarkshire

Priority Improve the health and wellbeing of our communities

Ambition Statement (1) Ensure a housing mix that supports social inclusion and economic growth

Programme of Work Transforming Places

1. Background

- 1.1 The original demolition contract for Coursington, Allan and Draffen was awarded on 29th April 2022. The contract suffered several unforeseen delays and additional cost due to a variety of site-specific issues. The main contributing issue was the discovery of information which made reference to a post tensioning system within the three tower structures. This was investigated and confirmed to be present.
- 1.2 The original contractor assessed the impact of this discovery on the contract and subsequently presented a revised quotation and timeline for completing the works.
- 1.3 Upon review, it became evident that proceeding with the original contract, as amended, was not legally feasible. Accepting the proposed solution and associated cost increases would constitute a substantial modification to the contract, contravening Regulation 72 of the Procurement (Scotland) Regulations 2015.
- 1.4 Given the circumstances, both the contractor and the council agreed to mutually terminate the original contract. This termination necessitated the procurement of a new contract to complete the demolition.
- 1.5 An interim contract was awarded to Thompsons of Prudhoe Limited for site security and enabling works which allowed certain works to continue onsite whilst survey works and investigations were undertaken.
- 1.6 The enabling works are expected to be complete by the end of March 2025.
- 1.7 This contract award recommendation allows a seamless transition to undertake the remainder of the demolition works via a controlled blow down event. A direct award via the NEPO framework has been recommended to limit the inherent risks to the project including:
 - Health and Safety
 - Structural deterioration: the exposed building would be more susceptible to damage, requiring additional costs and time for remediation/demolition.
 - Antisocial behaviour: vacant properties often attract vandalism, graffiti, and other disruptive activities.

2. Report

- 2.1 A group of technical and procurement representatives was formed to develop and agree the procurement strategy for the Agreement to enable the council to achieve maximum benefit for the requirements.
- 2.2 The initial estimated value of the Agreement dictated that the procurement procedure be undertaken in accordance with the Public Contracts (Scotland) Regulations 2015.

- 2.3 The procurement procedure was undertaken as a “Direct Award” from the North East Procurement Organisation (NEPO) framework, NEPO 0221 Demolition and Asbestos Surveying.
- 2.4 Following the justification detailed and appraised within the associated contract strategy document, the Direct Award procedure was considered to demonstrate Best Value as this route allowed a seamless transition from the enabling works contract following extensive survey work, furthermore, the contractor is skilled and experienced in this area of work and has the ability to mobilise immediately to commence works for the blow down programme.
- 2.5 The tender received from Thompsons of Prudhoe Limited underwent appropriate appraisal to ensure it was complete / compliant with the council’s requirements and demonstrated Best Value.

The assessment included a comparison between the revised quotation and programme from the original contractor, and the quotation and programme from the proposed new contractor. This exercise highlighted a cost avoidance in excess of £4,000,000 and a significant saving in programme timescales which supports the Councils accelerated New Supply programme.

- 2.6 This new contract mitigates the risks outlined in section 1.7 of this report by insuring the timely and safe demolition of the building.
- 2.7 Additionally, a timely demolition is crucial for the redevelopment of the site. Delays in the demolition would have:
- Increased costs: extended project timelines would lead to increased cost both in the demolition and the site redevelopment by the New Supply Team.
 - Reduced rental income and housing provision: a delayed demolition would result in delayed redevelopment this would impact the Housing Revenue Account (HRA) and ultimately limit the council's ability to provide affordable housing.
- 2.8 Further details of the procurement procedure are provided in Appendix 1 and the SME status and location of the tenderer is located within Appendix 2.

Financial / Budget Consideration

- 2.9 The maximum value of the Contract is Five million, Six hundred and Ninety-Five Thousand, One hundred and Seventy pounds and Twenty-Two pence (£5,695,170.22) exclusive of VAT.
- 2.10 There are some inherent risks remaining in the project, particularly around the services on site due to the change in demolition methodology, therefore, there has been a contingency included for any protection/diversion works.
- 2.11 The costs associated with delivery of the Contract will be contained within the HRA Capital budget for each financial year of the Contract period.

Price Stability

2.12 Pricing is fixed for the duration of the contract.

Community Benefits

2.13 The council is committed to maximising the delivery of community benefits. The procurement included a community benefit requirement, this approach is designed to deliver local community benefits where possible.

2.14 Within their tender, Thompsons of Prudhoe Limited committed to deliver the following community benefits worth 125 community benefits points in total within the Agreement:

Community Benefit Type	Quantity Committed
TRE01 New Entrants – Key Priority Groups	2
New Start – Apprentice	1
TST01 - Work Experience Placement (16 + years of age)	1
TST02 - Work Experience Placement (14 - 16 +years of age)	1
TST04 - Career Events	1
TST05 – Site Visit	2
TST06 - School Mentoring or Enterprise Programme	3
CCE02 - Financial Support for a Community Project	2

2.15 The community benefits delivered as part of the Agreement does include the creation of jobs or apprenticeships for the duration of the project.

Fair Work First

2.16 Thompsons of Prudhoe Limited pledged to uphold the principles of the Scottish Government's 'Fair Work First' initiative including use of no zero-hour contracts and payment of the Scottish Living Wage.

Contract Management

2.17 Officers from the Housing Team will be responsible for managing the Agreement which will be undertaken in accordance with the contract and supplier management conditions applied within the Agreement.

3. Measures of success

The Agreement will deliver the following outcomes:

- 3.1 the appointment of a contractor who has the experience, capability and a comprehensive health and safety plan to undertake the demolition of Coursington, Allan and Draffen in a timely, efficient and safe manner
- 3.2 conclusion of a procurement procedure that is compliant with procurement legislation and internal procedures.
- 3.3 confirmation that Best Value is both demonstrable and achieved; and
- 3.4 delivery of a range of Community Benefits.

4. Supporting documents

- | | |
|-------------------|-------------------------------------|
| Appendix 1 | Summary of Procurement Process |
| Appendix 2 | SME Status and Location of Tenderer |



Stephen Llewellyn
Chief Officer (Housing)

5. Impacts (<http://connect/report-template-guidance>)

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>Costs will be contained within the HRA budget.</p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p>5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes No

5.7 Environmental / Carbon impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes No

If Yes, please provide a brief summary of the impact?

This contract includes demolition of a building which has a carbon impact. The contract will ensure as much material as possible is recycled with only hazardous materials such as asbestos being disposed of.

5.8 Communications impact

Does the report contain any information that has an impact on the council's communications activities?

Yes No

If Yes, please provide a brief summary of the impact?

5.9 Risk impact

Is there a risk impact?

Yes No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

All risks are contained in project risk register managed in line with standard council processes and supported by a specialist demolition consultant.

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes No

Appendix 1 – Summary of Procurement Process

CPT Contract Reference Allocated:	NLC-CPT-24 118
Procurement Procedure Utilised:	Direct Award from Framework Agreement
Governing Legislation / Regulations:	Public Contracts (Scotland) Regulations 2015
Date Contract Strategy Approved:	12 February 2025
Framework Owner:	North East Procurement Organisation (NEPO)
Framework Title:	NEPO 0221 Demolition and Asbestos Surveying
Framework Reference Number:	NEPO 0221
Lot Reference / Title:	NEPO 0221 Demolition and Asbestos Surveying
Companies Appointed to Framework / Lot:	Thompsons of Prudhoe Limited
Date ITT Published:	19 February 2025
Tender Platform Utilised:	PCS-Tender (PCST)
Tender Return Deadline:	6/03/2025
Number of Tenders Received:	1
Tenders from SME's:	0
Tenders from NLC Based Tenderers:	0
Tenders from Supported Businesses:	0
Number of Recommended Tenderers:	1
Assessment Team:	Officers from Housing
Anticipated Start Date of the Agreement:	10 March 2025
Total Agreement Period (Months):	14 months
Awarded Value of the Agreement:	£5,695,170.22

Appendix 2 – SME Status and location of all Tenderers

Name of Tenderer	Size of Tendering Organisation (Micro, Small, Medium or Large)	Location (Local Authority / Council Area)
Thompsons of Prudhoe Limited	Large	Northumberland