

**To:** Cabinet  
**Date:** 26 January 2022  
**Report of:** Executive Director – Development  
**Title of Report:** Project Approval – to remove car parking decking from Oxpens car park

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To seek approval to remove and dispose of car park decking at Oxpens Car Park
<b>Key decision:</b>	Yes
<b>Cabinet Member:</b>	Councillor Alex Hollingsworth, Cabinet Member for Planning and Housing Delivery
<b>Corporate Priority:</b>	A Vibrant and Sustainable Economy
<b>Policy Framework:</b>	Council Strategy 2020-24
<b>Recommendations:</b> That Cabinet resolves to:	
<ol style="list-style-type: none"> <li>1. <b>Grant</b> project approval for the removal of the car park decking located at Oxpens car park and sold for recoverable steel rather than stored for potential reuse; and</li> <li>2. <b>Delegate</b> to the Director of Development in consultation with the Cabinet Member for Planning and Housing Delivery and the Head of Law and Governance and Head of Financial Services the authority to procure, and enter into all appropriate contracts to implement the recommended option.</li> </ol>	

## Introduction and background

1. The steel frame decking was constructed in 2014 as a temporary replacement car park for use during the Westgate works.
2. The top deck of the car park has been closed since January 2019, following the opening of the Westgate car park.
3. Planning permission for the car park decking located at Oxpens car park has now expired and as such the structure needs to be dismantled and removed.
4. The land the decking is located on (including the Oxpens car park) was transferred to Oxford West End Developments (OxWED) in 2018. The Council occupies the land and operates the car park on lease from OxWED. The lease

originally required the Council to remove the decking by June 2019, with an extension granted up to May 2022. We are currently in negotiations to extend this again to December 2022 to allow sufficient time for the works to take place.

5. The car park decking is liable for business rates, for the time that it is in situ within Oxpens car park.
6. In January 2019 the Council authorised expenditure in the CEB (now Cabinet) meeting of £243,000 to deliver the removal of the decking, with an additional £105,000 provided from the proposed Depot rationalisation project budget to cover transportation and storage ready for the potential reuse as part of that scheme. Subsequently it has become clear that the decking will not be required as part of any future depot scheme, resulting in the £105,000 no longer being available.
7. Given the original CEB decision included an agreement for storage and reuse, and this is no longer the preferred option, a Cabinet decision is required to change the scope.

### **Options Considered**

8. Three options have been considered:
  - a. Dismantle and store until required for re-use
    - i. As there is no identified project or space for the decking's reuse, it is unknown how long a period the structure will need to be stored for, so it would be difficult to determine the exact amount of funding that would be required to cover the associated costs for the period of time storage would be needed.
    - ii. If the structure was to be kept for re-use, a new condition survey would be required to ascertain the condition at the point of removal, ready to go into storage for potential re-use at some point in the future.
    - iii. Consideration would also need to be given to the deterioration of the structure during its time in storage. The longer the period of time, the higher the probability of deterioration, as well as the increased potential of the structure not being fit for purpose
  - b. Dismantle and sell
    - i. Consideration was given to the selling the decking, however it has been difficult to establish a value for the decking as there is limited interest on the open market for such equipment, especially with the associated handling and transport costs. If we were to try to pursue this option further, additional delays will be added to the project. This will significantly reduce the time frame available to carry out the works and could mean passing the expiration date of the lease with OxWED before completion.

- c. Dismantle, dispose of and sell as scrap metal
  - i. This is likely to have the least cost associated with it and lowest risk. A cost estimate has been provided by ODS, which indicates this option can be delivered within the existing Budget. As such, this then negates the need to request additional funding to store the structure for an unknown period of time and removes the risk of the structure not being re-purposed in the future, or being unfit for purpose should an alternative location be found.
  - ii. Whilst there was the prospect of being able to reuse the decking to support a scheme it made sense to dismantle and store the materials for reuse. Now there is no longer a need for the decking it will be more cost effective. This option will also, allow the use of local labour, to dismantle the structure and sell any recoverable materials for reuse, rather than specialist operators. This will also allow the lease requirements to be met and reduce the business rates payable.

### **Financial implications**

- 9. The previously authorised expenditure of £243,000 will still be sufficient to carry out and complete the works. Based on the cost estimate work undertaken, no further funding is being requested. The estimates include a 10% contingency.
- 10. The removal of the car park decking should result in a reduction in business rates but this is subject to an assessment by the Valuation Office so the actual amount is not known at this time. Based on the current rates assessment and the decking having previously incurred around a third of the rates on the site, the saving could be in the region of £74k
- 11. By proceeding with this recommendation we are presenting the opportunity for the project to be able to claw back some funding with the re-sale value of the steel so that it will be recycled. At this stage the value of this income is unknown.
- 12. Notwithstanding discussions are underway about temporarily extending the agreement with OxWED, if the structure is not removed by the end of the lease expiration with OxWED, then based on terms of the lease, this could incur a reduction in income to the council and further cost penalties. If the Council have not removed the structure by the required date, the lease permits OxWED to undertake the works to remove the structure and pass the cost onto the Council.

### **Legal issues**

- 13. The Council is under a planning and contractual obligation to OxWED under the terms of their existing lease to remove the car park decking. The backstop date for removal of the decking originally agreed with OxWED was extended to May 2022 however, we are currently in negotiations to extent this again to December 2022.

### **Carbon and Environmental Considerations**

- 14. While reuse of the decking would have clear benefits, and was originally the preferred option, now there is no clear future use for the structure, the benefits of

seeking reuse needs to be weighed against the unknown costs of storage and the structure's likely deterioration over that period.

15. The project entails dismantling an existing structure. We are not using any new materials and are looking to sell any reusable steel available.
16. We have negated the need to use the Italian contractor who installed the decking, by no longer needing to dismantle, label and store ready for use. Use of the Italian contractor was essential for the reuse options, as it kept warranties in place, which were needed for re-use. By dismantling, disposing and selling recoverable steel we are now able to use a local contractor, keeping work within the local area and utilising local workforces.
17. Oxford Direct Services will be the contractor used for demolition of the structure. By using ODS we are using a local Oxford contractor who support and are committed to sustainability and responding to climate change, thus supporting and enforcing the Council's carbon and environmental practices and policies.

### **Level of risk**

18. The risks associated with this project are -
  - i. Planning permission expiration – The structure no longer has the benefit of planning permission and therefore should be removed as soon as possible
  - ii. Business rates payable to OxWED - rates could be increased / longer period of expenditure for every month the decking remains in situ.
  - iii. Breach of the lease with OxWED - there are financial penalties from May 2022 (or December 2022 subject to extension being granted).
  - iv. No resale market for recoverable steel
  - v. Project cost overrun
  - vi. There are potential health and safety risks from the proposed works. These will be mitigated by ensuring a competent contractor is appointed and overseen to carry out the works.

### **Equalities impact**

19. The car park is no longer open to the public, as such there is no equality impact directly arising from this report.

### **Conclusion**

20. The Council has to act to remove the car park decking structure that was installed to accommodate parking facilities during the construction of the Westgate re-development. Dismantling and selling any recoverable steel will negate the need for any further funding. The removal also provides a saving, as business rates associated with the deck will no longer be payable.

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**Background Papers:** None

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