

Brighton & Hove City Council

Strategy Finance and City Regeneration Committee

Agenda Item 45

Subject: Royal Albion Hotel Fire: Contracts and Works Required

Date of meeting: 4th August 2023

Report of: Executive Director Economy Environment & Culture

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Ward(s) affected: Regency

Note: The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that this was a fast moving situation and the information necessary to complete the report was not available in time for the normal dispatch deadline.

For general release

1. Purpose of the report and policy context

- 1.1 This report sets out the decisions taken to date, including under officer urgency decision making powers, to react to the fire at the Royal Albion Hotel on Kings Road, Brighton (“the building”) that started on Saturday 15th July 2023.
- 1.2 The report also seeks authority for officers to complete the next steps to undertake the works necessary to make the building safe and hand it back to the owners, with the council reimbursed for all expenses.
- 1.3 This report relates solely to the city council’s legal and public safety obligations relating to the building and its immediate surroundings.

2. Recommendations

- 2.1 That Committee notes decisions made to date by officers to address the fire at the Royal Albion Hotel, Kings Road, Brighton, to make the building and the surrounding site safe, including the use of Officer Urgency Powers.
- 2.2 That Committee delegates authority to the Executive Director Economy Environment & Culture to enter into contracts necessary to carry out the works.

- 2.3 That Committee delegates authority to the Executive Director Economy Environment & Culture to complete the works required by the Notice served under section 78 of the Building Act 1984 and to then hand the site back to the owners and to seek full recompense for all costs to the council.
- 2.4 The committee approves the actions taken so far and authorises the Executive Director for Economy, Environment & Culture to take all other steps necessary or incidental to securing the safety of the public and the building.

3. Context and background information

- 3.1 The Royal Albion Hotel caught fire on 15th July 2023. The fire burned over that weekend and destroyed much of the western portion of the hotel fronting Pool Valley. The blaze re-ignited several days later and this was extinguished quickly by the fire service.
- 3.2 The fire was an emergency response situation, requiring very quick decision making and action on the ground to ensure public safety. For this reason, Helmsley Orrell Partnership ('HOP') and Dorton Demolition were called to site to advise on structural engineering and potential demolition requirements. Both contractors have a record of delivering with the city council and have dealt with demolition following fires.
- 3.3 A Senior Building Control Surveyor attended a meeting during the morning of Monday 17th July. Present at this meeting were a senior police officer, two police sergeants, a representative of Britannia Hotels, a representative from structural engineer HOP, two senior fire officers, a representative from Dorton Demolition and representation from the Emergency Planning Unit. During this meeting, the chief incident fire officer asked the Senior Building Control Officer who would take responsibility for this situation when they handed over, as is normal in situations where a fire is out but a dangerous structure remains.
- 3.4 The council officer responded that further works to make the building safe would continue under section 78 and so the council would be taking control of the site. It was explained to the representative of Britannia Hotels that under this Act the local authority would undertake the demolition and clearance works as required to make the building safe and all cost incurred would be charged to the hotel owners. This was acknowledged by the Hotel Owner's representative onsite and was followed up in writing to the building owners.
- 3.5 Under the Council's Contract Standing Orders, decisions to enter into contracts over £0.500m need to be authorised by the relevant committee. At the time of making the decision to commission Dorton Demolition to undertake the works it was unclear what the level of cost would be, and the urgency of the situation required the council to commission the work to start.
- 3.6 Dorton are charging the nationally recognised day rates for demolition as set out by the National Federation of Demolition Contractors. The Executive

Director for Economy Environment & Culture initially exercised her delegated powers to commission this work, consulting with the Leader of the Council. The work with HOP is of a lower cost and is covered by the Executive Director's normal delegated powers.

- 3.7 During the first week onsite, the scale of the demolition required became evident and the total cost for all the works until handover stage are likely to exceed the £0.500m threshold, so officers had to use the urgency powers under the scheme of delegations. This report serves the purpose of informing the committee as required by the council's constitution. Given the potential cost and the significance of the event and its impact on the city, it was considered that this major incident has corporate financial and possibly policy implications. Therefore this report is coming to this committee rather than the service committee (Culture, Heritage, Sport, Tourism & Economic Development Committee.) Members are asked to note the decisions made to date.
- 3.8 All work that has been commissioned is the minimum necessary to ensure public safety but being mindful of the need to also protect as much as possible of the fabric and features of the listed building. The hotel structure has been collapsing inside the exclusion zone and the council has been taking all steps required to prevent debris landing on surrounding buildings and the A259.
- 3.9 Officers formalised the engagement of technical expertise through written contracting. Construction management company MGAC were commissioned to advise on cost analysis and on the type and scope of the contracts required. The council has been moving quickly to get Dorton and HOP under formal written contract, again covering just the minimum works necessary for public safety. Recommendation 2.2 above asks committee to delegate authority to enter into those contracts.
- 3.10 Once the building has been made safe through demolition, propping and site hoarding, the exclusion zone around the hotel will be reduced to the minimum size possible, and the site will be handed back to Britannia Hotels. The committee is asked to delegate to the Executive Director for Economy Environment & Culture the power to complete this work and hand back the site. This would be at the appropriate time once all necessary steps under section 78 have been completed. As set out above, officers are already actively seeking repayment of all costs incurred from Britannia Hotels. This is not just costs of the contracts set out in this report, but also technical support and officer time.

4. Analysis and consideration of alternative options

- 4.1 The need to protect public safety and act immediately, means the council had to use its powers under the Building Act 1984. The option of not using those powers and hoping the hotel owners moved quickly enough to commission the demolition was considered too risky.

- 4.2 Demolishing all of the affected parts of the building, rather than the minimum necessary for public safety, is also not an option as it would mean the city council was stepping beyond its powers and has no reason to be acting in the matter of the Royal Albion Hotel fire.

5. Community engagement and consultation

- 5.1 Being an emergency response situation there has not been time for community engagement and consultation. The long-term future of the site will involve applications for planning and listed building consent and the city council will encourage the hotel owners to consult widely with the community as part of the preparation of new plans.
- 5.2 Officers are aware that eight flats in the Youth Hotels Association (YHA) and nine flats in the adjacent Lace House had to be evacuated over the weekend of 15th July. These residents are still out of their homes and they have been facing a very difficult time. The council set up a route through to our in-house Community Hub where residents can receive updates if they make themselves known to our switchboard staff. So far officers have made contact with residents from seven of the eight YHA flats and three of the nine from Lace House. Information on the contact route for tenants is explicit on our website.
- 5.3 Technical advice indicates that when the burned out top floor of the North elevation of the hotel is cleared during August, residents can move back into their homes.

6. Conclusion

- 6.1 All of the factors set out in this report add up to make for what was an extremely challenging and dynamic situation, which means that decisions have had to be taken on the ground to prioritise public safety on our seafront. Only the very minimum works required are being undertaken and all steps will be taken to protect the public purse and minimise expenditure at risk.

7. Financial implications

- 7.1 The use of officer urgency powers in this case primarily concerns public safety but the intention is clearly for all costs to be recovered through Britannia Hotels and their insurers. Provided this proves to be the case and all costs are recovered, the main impact for the council is therefore a cashflow consideration. The council's cash balances are normally very substantial, many millions, but they are often invested in short and medium term investments. However, the council does have sufficient cash balances to manage expenses of this order.
- 7.2 The key potential loss to the council, assuming ultimate recovery of all expenses, is the interest on cash balances foregone. In the current higher interest rate environment, the council would forego interest of approximately

£2,000 - £4,000 for each month it takes to recover monies from the insurer but the council will request interim payments to mitigate this.

- 7.3 Although unlikely, the possibility of non-recovery must also be considered and this would require the council to identify one-off resources or capital financing in order to provide for any unrecovered sums.

Name of finance officer consulted: James Hengeveld
Date consulted 27/07/23

8. Legal implications

- 8.1 The Council's functions under section 78 of the Building Act regarding dangerous buildings-emergency measures, are delegated to the Executive Director for Economy, Environment and Culture. However the actual works had to be undertaken by specialist contractors. At the initial stages, the likely cost of the works was not clear and officers had to prioritise taking emergency measures to protect public safety. It has since become apparent that the costs, taken together, may exceed the £500,000 limit for using officer delegations. The Leader of the Council, in her capacity as the Chair of this committee was consulted in relation to the use of urgency powers as soon as practicable when the extent or the works needed and the likely costs became clear. Urgency powers were used to commission works and the formal contracts are being prepared. This report is coming to this committee for information in relation to the use of urgency powers as required by the constitution.
- 8.2 Works contracts under £5,336,937 do not need to be procured in accordance with the Public Contracts Regulations 2015. Officers will obtain a waiver as this contract has not been tendered in accordance with the Council's Contract Standing Orders.
- 8.3 Under s78 of the building Act 1984, any local authority is entitled to take remedial steps in relation to a dangerous building. There is no definition of dangerous. In all the circumstances officers believe that this would be a dangerous building. There is ongoing risk to adjoining buildings, passers-by and to the highway. It is only the fact that the area is cordoned off that, at this time, reduces risk to people. Risk to property and Highways remain. The Council was legally entitled to commission demolition and other works. S78 also provides that any expenses reasonably incurred in carrying out the works under the section may be recovered from the owner of the property.
- 8.4 It is appropriate to consult the Chair of the Strategy, Finance & City Regeneration Committee and to report the use of urgency powers to the committee as the decisions around this have potentially corporate financial implications.

Name of lawyer consulted: Abraham Ghebre-Ghiorghis
Date consulted 26/07/2023.

9. Equalities implications

- 9.1 There are no equalities implications directly arising from the report.

10. Sustainability implications

- 10.1 Steps have been taken to preserve salvaged heritage elements of the building, ensuring they can be reused. As well as having a heritage benefit, this also reduces embodied carbon of replacement parts.
- 10.2 More detailed consideration of sustainability implications will have to happen in the next stages of work on the building.

11. Other Implications

Public health implications:

- 11.1 There was concern raised at the time of the fire about possible asbestos in the building. Asbestos was only known to be in the textured ceiling coatings used in the building. Asbestos is a danger when fibres become airborne and are breathed in. The great majority of asbestos fibres are held tightly within the asbestos containing material and not readily released into the air during a fire. Long term health effects from asbestos generally occur in those who have been directly exposed by inhaling large quantities of asbestos fibres over a long period of time, such as in an occupational setting.

Supporting Documentation

1. Appendices

- 1. None

2. Background documents

- 1. None

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