


Executive Decision Individual Decision Notice	 TOWER HAMLETS
Decision Maker: Cabinet, 29 Jul 2020	Classification: Exempt
THH Major Works Contracts Variations	

Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 – notice is hereby given that an Executive Key Decision is required to be taken under Special Urgency provisions as it is not possible to provide at least 5 clear days' notice of the decision.

Notice is also hereby given that the decision is expected to require exclusion of the press and public for the reasons stated in this form.

As required under the above regulations, the Chair of the Overview and Scrutiny Committee has agreed that this decision can be taken in private session at the Cabinet meeting on 29 July 2020 as it is urgent and cannot reasonably be deferred.

This notification will be published as soon as possible before the decision is taken, stating why the decision must be taken urgently.

Reason why it is impractical to provide 28 clear days' notice of the decision:	
Urgent need to regularise and authorise capital expenditure to vary the contracts in line with the additional costs. The contracts are in place and operating, THH need the revised contract values approved in order to pay the contractors, failure to do so would render the council being in breach of the contract, and therefore bring the council in disrepute. As the contracts are being delivered, failure to honour contractual payment will lead to unfinished works and leave the residents with unfinished works. This will adversely affect residents' expectations/satisfaction and the image of the Council. The next Cabinet in in September 2020.	
Signature: Rupert Brandon, Head of Housing Supply	Date: 24 July 2020
Comments of the chair of the Chair of the Overview and Scrutiny Committee on the Reason why it is impractical to provide 28 clear days' notice of the decision:	
Due to the financial and reputational risks of not making this decision imminently then I am happy for it to go forward.	

O&S or its Housing sub committee might look into how this situation arose and the decision making process behind it in the future.

Signature:

Councillor James King, Chair of the Overview and Scrutiny Committee

Date:

27 July 2020

Reason why it is anticipated that part of the meeting will be held in private session

The content of this report presents the Council with the real prospect of receipt of potential procurement claim(s) from the other parties on the LCP framework.

Regulation 72 allows amendments to a contract up to a maximum of 50% of the original contract value. Where there have been a number of variations this assessment is calculated upon the basis of the cumulative value of the variations. The valuations for each contract, in this instance, exceed this level. The variations therefore are not variations for the purposes of procurement law. They constitute new awards which fall below the full competition requirements. The varied terms of the contracts should have been extended to all framework parties who were ultimately denied that opportunity.

Therefore, the public interest in knowing the information in the report is significantly outweighed by the public interest in maintaining the exemption due to the highly anticipated detriment to the public purse in the event the details of this matter enter the public domain.

Signature:

Rupert Brandon, Head of Housing Supply

Date:

24 July 2020

Comments of the chair of the Chair of the Overview and Scrutiny Committee on the Reason why it is anticipated that part of the meeting will be held in private session

Due to the financial and reputational risks of not making this decision imminently then I am happy for it to go forward. O&S or its Housing sub committee might look into how this situation arose and the decision making process behind it in the future.

Signature:

Councillor James King, Chair of the Overview and Scrutiny Committee

Date:

27 July 2020

Further details of the decision to be taken:

Key Decision? Yes	Ward(s) All Wards
Summary of Decision	<p>Following the expiry of the Decent Homes Framework, THH procured six contracts on an interim basis to ensure that the capital works programme could continue to be delivered pending the procurement of the new Better Neighbourhoods Contractor and Consultants frameworks. These contracts were procured via an external public sector framework, the London Construction Programme (managed by Haringey Council) which was identified as the preferred procurement route at that time.</p> <p>However, the original scope of works for these six contracts was not fully specified and coupled with the implications of post Grenfell fire safety concerns THH recognised the need to increase the standard of fire safety in its blocks. This led to an increase in works and costs resulting in the contracts being over budget.</p>

Community Plan Theme	A borough that our residents are proud of and love to live in
Cabinet Member	Statutory Deputy Mayor and Cabinet Member for Housing (Councillor Sirajul Islam)
Who will be consulted before decision is made and how will this consultation take place	<p>Residents, Consultants, the Mayor, LBTH Client, Legal, Procurement, Lead Member, Corporate Director, Place</p> <p>The work has been fully consulted with the residents of the blocks, who have been invited to pre-work inspections and invited to make comment of the work. During the scheme many of the blocks have had resident steering groups and regular updates have been provided during the cause of the scheme. The Statutory S20 consultation has been completed.</p>
Has an Equality Impact Assessment been carried out and if so the result of this Assessment?	<p>N/A</p> <p>contracts already in place and being delivered.</p>
Contact details for comments or additional information	<p>Rupert Brandon</p> <p>Interim Head of Housing Supply</p> <p>rupert.brandon@towerhamlets.gov.uk</p>
What supporting documents or other information will be available?	None

<p>Is there an intention to consider this report in private session and if so why (Paragraph number – see notes section)?</p>	<p>Fully Exempt (the whole report will be exempt)</p> <p>The content of this report presents the Council with the real prospect of receipt of potential procurement claim(s) from the other parties on the LCP framework.</p> <p>Regulation 72 allows amendments to a contract up to a maximum of 50% of the original contract value. Where there have been a number of variations this assessment is calculated upon the basis of the cumulative value of the variations. The valuations for each contract, in this instance, exceed this level. The variations therefore are not variations for the purposes of procurement law. They constitute new awards which fall below the full competition requirements. The varied terms of the contracts should have been extended to all framework parties who were ultimately denied that opportunity.</p> <p>Therefore, the public interest in knowing the information in the report is significantly outweighed by the public interest in maintaining the exemption due to the highly anticipated detriment to the public purse in the event the d</p> <p>3</p>
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NOTES

Advance notice of Key Decisions

Key decisions are all those decisions which involve major spending, or savings, or which have a significant impact on the local community. The precise definition of a key decision adopted by Tower Hamlets is contained in Article 13.03 of the [Constitution](#). Key Decisions are taken by the Mayor, or the Mayor in Cabinet.

Individual notices of new Key Decisions will be published on the website as they are known, whilst a Forward Plan collating these decisions will be published 28 days before each Cabinet meeting. The Forward Plan will be published on the Council's website and will also be available to view at the Town Hall and Libraries, Ideas Centres and One Stop Shops if required. [The Committee pages](#) on the Council website include copies of the Forward Plan, Cabinet and other meeting dates and the publication dates of the Forward Plan.

If, due to reasons of urgency, a Key Decision has to be taken where 28 days' notice have not been given. Notice will be published (including on the website) as early as possible and Urgency Procedures as set out in the Constitution will have to be followed.

The most effective way for the public to make their views known about the issues listed in the Forward Plan is to examine the consultation column of the Forward Plan, and/or contact the report author or Cabinet Lead Member as soon as possible, and no later than 10 working days before the decision is expected to be taken.

Reports, appendices and background papers will be available on the Council's website 5 clear working days before the Cabinet meeting. For all other information or to submit documents in relation to any issue, please contact the relevant officer.

Notice of Intention to Conduct Business in Private

The Council is also required to give at least 28 days' notice if it wishes to consider any of the reports on the agenda of an Executive meeting (such as Cabinet) in private session. The last row of each item below will indicate any proposal to consider that item in private session. Should you wish to make any representations in relation to an item being considered in private please contact Democratic Services on the contact details listed below. Note that this applies to Cabinet but not to Individual Mayoral Decisions outside of Cabinet.

The notice may reference a paragraph of Section 12A of the 1972 Local Government Act. In summary those paragraphs refer to the following types of exempt information (more information is available in the Constitution):

1. Information relating to any individual
2. Information which is likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the authority handling the information)
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matters arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes:-
 - a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Democratic Services Contact Details:

Contact Matthew Mannion
Officer: Democratic Services
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Telephone: 020 7364 4651