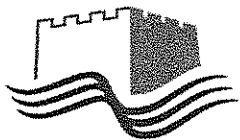


<b>Individual Mayoral Decision Proforma</b>  Decision Log No: 211	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Ann Sutcliffe, Corporate Director of Place	<b>Classification:</b> Unrestricted
<b>Island Gardens new build Café with public accessible toilets</b>	

<b>Is this a Key Decision?</b>	No
<b>Decision Notice Publication Date:</b>	15 September 2021
<b>General Exception or Urgency Notice published?</b>	Not applicable
<b>Reason for seeking an Individual Mayoral Decision:</b>	The end of standstill letter has been issued to the winning bidder. The Contract Award letter is unable to be issued until approval is obtained to increase the budget. As a consequence of the contract award being further delayed the start on site date will slip as there is a lead-in period for materials to be ordered from when the purchase order is raised by LBTH to the contractor. This then risking the scheme forecast completion date in Summer 2022.

## EXECUTIVE SUMMARY

Following the approval of the £0.442m from s106 for the development of Island Gardens Café (including public toilets) by Cabinet on 26<sup>th</sup> January 2021 as part of the 2020-24 Approved Capital Programme, the project estimate has increased.

In addition to the s106 resources the funding for this project also included an approved amount of £0.250m from LIF for the provision of public toilets in Island Gardens. The total budget for this project being £0.692m.

The contractor procurement process commenced earlier this year and resulted in tender returns exceeding the original project estimate provided in May 2020.

The UK construction industry generally has experienced considerable delays due to the impact of Brexit and Covid-19, and many Contractors and Suppliers have reported a rise in the cost of materials, and pressures with supply chains with the industry relying on imported materials. Contractors are therefore approaching tenders more cautiously to ensure their submissions are robust to cover further price increases, material shortages and extended lead-in times once orders are actually placed after a contract award.

In addition, the tender market is also incredibly active at present. Contractors can therefore be more selective in the tenders they price, again resulting in a general increase in prices.

Following a period of value engineering, the construction costs for this project have been reduced, but still exceed the approved budget.

Once the full budget approval is in place, the construction contract can be awarded and work start on site, currently programmed for November 2021 with completion in July 2022.

The new café is expected to provide a revenue stream to offset the capital costs.

Full details of the decision sought, including setting out the reasons for the recommendations and the options put forward; other options considered; background information; the comments of the Chief Finance Officer; Legal Services; implications for Equalities; and other relevant matters are set out in the attached report.


## **DECISION**

1. Approve the increase of the total scheme budget of £0.692 by a further £0.291m from identified s106 receipts due to the lowest tender price received being higher than the approved budget. The scheme has a shortfall of funding to meet the additional cost of surveys associated fees and for a contingency allowance.
2. Authorise the Corporate Director Place to award the contract in the tendered sum and to authorise the execution of all agreements in relation to the implementation of the award.

**APPROVALS**

**1. (If applicable) Corporate Director proposing the decision or his/her deputy**

I approve the attached report and proposed decision above for submission to the Mayor. I confirm that the Mayor and/or Lead Member have agreed to this decision being taken using this process.

Signed .....  ..... Date 21 September 2021


**2. Chief Finance Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

Signed  Date 22nd September 2021

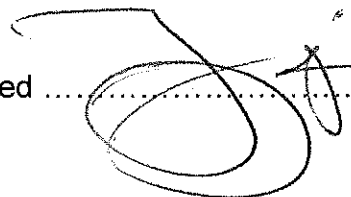
**3. Monitoring Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

Signed .....  ..... Date 22 September 2021

**4. Mayor**

I agree the decision proposed in the recommendations above for the reasons set out in paragraph 3 in the attached report.

Signed .....  ..... Date 22/9/21