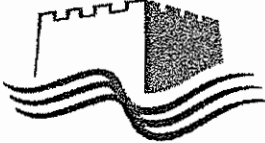


<p align="center">Individual Mayoral Decision Proforma</p> <p align="center">Decision Log No: <u>303</u></p>	 TOWER HAMLETS
<p>Report of: Ann Sutcliffe, Corporate Director, Place</p>	<p>Classification: Exempt <i>Appendix</i></p>
<p>Redevelopment of Bancroft TMC and Wickford Street garages: Approval to increase project budget to enable build contract to be awarded</p>	

Is this a Key Decision?	No
Decision Notice Publication Date:	(Report author to state date of decision notice – either individual notice or within the Forward Plan)
General Exception or Urgency Notice published?	Not required
Restrictions:	Contract sum should not be in the public domain until it is published on the Contracts Finder
Reason for seeking an Individual Mayoral Decision:	The submitted tender prices are held until 12 th September 2022, after which they are expected to be increased given the current market conditions. Approval for a budget increase to enable the contractor appointment in the next two weeks means that this decision cannot wait until the next Cabinet meeting at the end of October 2022.

EXECUTIVE SUMMARY

The Bancroft TMC and Wickford Street garages site is part of the HRA new council homes programme. Planning consent for the development of a Class D1/B1(a) community/office space and 33 new homes was granted in March 2021. The process of procuring a build contractor commenced in January 2022 through the council's Dynamic Purchasing System. Tenders were returned in April 2022.

As a result of changing market conditions, including rising inflation, increasing energy costs and a shortage of material and labour, the tender price for this contract was higher than estimated and is shown in restricted Appendix 1. The Employer's Agent has confirmed that in the current climate, this sum delivers value for money. The total scheme costs now exceed the approved budget of £14.100m requiring an additional budget of £3.000m to be allocated and approved to enable the contract to be awarded.

The additional budget requirement has been identified within the current HRA Business Plan budget envelope, by the removal on one of the approved schemes in the programme. A budget of £7.600m is available from the removal of the Gill Street scheme, of which £4.449m has been allocated to

the Arnold Road scheme, leaving £3.000m available to be allocated to the Bancroft and Wickford Street scheme.

Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Head of Legal Services; implications for One Tower Hamlets; Risk Assessment; Background Documents; **and other relevant matters are set out in the attached report.**

DECISION


The Mayor is recommended to:

1. Approve an increase in the budget for the development of 33 new homes for social rent and a community office space on the Bancroft and Wickford Street site by £3.000m to £17.100m to enable the build contract to be awarded.
2. Approve the use of £3.000m from the remaining Gill Street scheme budget, within the HRA new council homes programme budget of £323.291m as approved by Full Council in March 2022.
3. Approval of the contract award to Formation Design & Build Limited for the development of the site at Bancroft and Wickford Street, for the tendered contract sum shown at Appendix 1.

APPROVALS

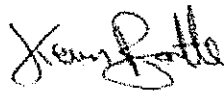
1. **(If applicable) Corporate Director proposing the decision or his/her deputy**

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 9 September 2022

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 9 September 2022

3. Monitoring Officer or his/her deputy

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

(For Key Decision only – delete as applicable)


I confirm that this decision:-

(a) has been published in advance on the Council's Forward Plan OR
(b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed ...  Date 9 September 2022

4. Mayor

I agree the decision proposed in the recommendations above for the reasons set out in ~~paragraph 18~~ in the attached report.

Signed  Date 12/9/22