


Individual Mayoral Decision Proforma Decision Log No: _____	 TOWER HAMLETS
Report of: Ann Sutcliffe, Corporate Director, Place	Classification: [Insert Unrestricted or Exempt]
Bruton Wharf (Yorkshire Road): Approval to increase project budget to enable build contract to be awarded	

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:	(set out why an individual mayoral decision is being sought as opposed to going to Cabinet)

EXECUTIVE SUMMARY

The site at Brunton Wharf (Yorkshire Road) received planning approval in March 2022 ref: PA/19/02608/A1 and will comprise of 32 x 1, 2, 3 and 4 bedroom social homes for rent. The scheme-specific budget allocation of **£12.750m** was approved by Cabinet in June 2021.

The planning application was submitted in December 2019. At that time, the Pre-Tender Estimate (PTE) for the build cost was **£10.990m**. In October 2020, Development Committee resolved to grant permission for the scheme.

However, as a result of design change required by LFB and market conditions, including rising inflation, increasing energy costs and a shortage of materials and labour, the pre-tender estimate price for this contract was higher than originally forecasted. The total scheme costs now exceed the approved budget of **£12.750m** requiring an additional **£4.147m** enabling the contract to be awarded and the development to start on site before 31st March 2022, to meet the deadline for the funding requirements.

To fund this budget uplift within the affordability envelope of the HRA Business Plan, Waterloo Gardens will be removed from the current programme, while a re-design to increase the number of new homes takes place, to release its budget allocation of **£7.200m** for immediate re-allocation. This will provide a funding source for the Brunton Wharf and other schemes.

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 32 new social homes for rent at Brunton Wharf (Yorkshire Road) by **£4.147m to £16.900m** to enable the build contract to be awarded.
2. Approve the removal of the current Waterloo Gardens scheme and associated budget of **£7.200m** from the HRA new council homes programme budget of **£365.125m** as set out in the report to Cabinet in January 2023 and use of **£4.147m** for the Brunton Wharf scheme
3. Note the funding sources for this scheme
4. Approval to appoint contract award for the agreed contract sum

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 27 February 2023

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 27/2/23

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 1 March 2023

4. Mayor

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

Signed  Date 