


<b>Individual Mayoral Decision Proforma</b>  Decision Log No: 31	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Corporate Director Development & Renewal	<b>Classification:</b> Unrestricted/restricted
<b>Watts Grove Depot – tender process update and selection of preferred bidder</b>	

<b>Is this a Key Decision?</b>	<b>Yes</b>
<b>Decision Notice Publication Date:</b>	25 January 2013
<b>General Exception or Urgency Notice published?</b>	<b>Not required</b>
<b>Restrictions:</b>	Unrestricted/restricted

## 1. EXECUTIVE SUMMARY

- 1.1 This report deals with the selection of the preferred bidder for the Watts Grove Project and the delegated authority to conclude Contract negotiations and enter into contract with the preferred bidder.
- 1.2 This report provides the Executive Mayor with an update on the procurement process for the regeneration of Watt's Grove Depot from its current use as a transport depot to create new socially rented housing.

## 2. DECISION

### The Executive Mayor is recommended to:-

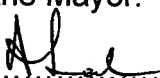
- 2.1 Agree to the recommendation of the procurement evaluation panel to approve Bidder A as the preferred bidder;
- 2.2 Authorise officers to proceed with the final stage of procurement in finalising agreements with a preferred bidder;
- 2.3 Confirm the second placed unsuccessful bidder Bidder C as a reserve and to authorise the Director of Development and Renewal, following discussion with the Executive Mayor to call upon this reserve if the preferred bidder's position changes from that tendered.
- 2.4 Following consultation with the Executive Mayor and the Lead Member for Resources, authorise the Director of Development and Renewal and the Assistant Chief Executive

- 2.5 Adopt a capital estimate to the value of £23million for the development of the Watts Grove Depot site, noting that provision of £22 million to fund the indicative scheme was included within the capital programme considered at the Council Budget meeting on 7 March 2013. The increased capital provision is required in order to make provision for the eventuality of the reserve bidder being required;
- 2.6 Confirm that funding requirements as outlined in the Part 2 report will be available to meet the potential revenue contract costs subject completion of the contract;
- 2.7 Confirm the allocated expenditure for procurement costs of £425k on the basis that these costs will be reimbursed by the successful developer upon the Development Agreement becoming unconditional and Financial Close being reached, if necessary this will need to be paid for by reserves if the development does not proceed;
- 2.8 Authorise officers to proceed with concurrent development of three options, as outlined in the Part 2 report to facilitate vacant possession being granted prior to works beginning in accordance with the programme.
- 2.9 Adopt a capital estimate capped at £1m for decant works as set out in the part 2 report for the relocation of Watts Grove Depot, to be funded from resources set aside for the development of affordable housing schemes.
- 2.10 Authorise the disposal on a 35 year lease of the land at Watts Grove Depot in line with the tender to the Preferred Bidder under the General Disposal Consent 2003 to facilitate the development and improve the economic social and environmental well being of the area in accordance with the Objective 1 "Providing quality affordable housing " of the first theme of the Council's Community Plan "A Great Place to Live"
- 2.11 Agree that the Council will sublease the 149 units of accommodation and associated land on a 35 year (less 1 day) lease under section 17 Housing Act 1985 for Housing Purposes as the use of the land will then be for social housing and will be held under the Housing Revenue Account. The effect of this is detailed in paragraph 7.23 of the attached report which sets out details of the Tender and contract structure
- 2.12 Agree to authorise expenditure of £50,000 to undertake the works outlined at paragraphs 6.14 to 6.17 of the Part 2 report to be funded from reserves

**APPROVALS**

**1. Corporate Director proposing the decision or his/her deputy**

I approve the attached report and proposed decision above for submission to the Mayor.


Signed .....  ..... Date ..... 17/6/2013 .....

**2. Corporate Director proposing the decision or his/her deputy**

I approve the attached report and proposed decision above for submission to the Mayor.

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

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

Signed .....  ..... Date 17/7/13

**4. 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)

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 17/7/13

**5. Mayor**

~~I agree the decisions proposed in paragraph 2 above for the reasons set out in the attached Part 1 report.~~

For reasons shown overleaf, I reject the recommendation

Signed .....  ..... Date 17/7/13