

Watts Grove – Mayoral Decision

Having considered the detailed Report on the outcome of the evaluation of final tenders for Watts Grove and the implications for the Council, I have decided not to proceed with the award of a contract for the Watts Grove Depot.

This has not been an easy decision to reach as I had hoped to create further social housing units in the borough by this contract, but I have to carefully weigh up the Council's financial position over the next few years in the light of the most severe spending cuts we have ever endured.

Earlier in the competitive tender process, an assessment of the projected costs as detailed by the bidders was carried out and the scheme was, at that stage, deemed affordable. Unfortunately the final tender submissions greatly exceed those projected costs with serious financial consequences to the Council's HRA and overall debt cap.

I have considered fully the outcome of the final tender evaluation and the financial implications for the Council and taken into account the comments of the Chief Finance Officer in the report at paragraphs 7.6, 7.7 and 7.8. These show that the cost impacts on the Housing Revenue Account debt cap are greater than had been originally anticipated. These make the scheme no longer affordable within the HRA without cutting costs in the 30 year business plan and therefore in front line services

In addition, I am now advised that the detailed consideration of the 2 potential sites for a consolidated depot, whereby the Watts Grove Depot together with other depots could be re-provided, is no longer affordable given current proposed savings required in public spending within the general account. I am therefore going to reconsider the decision to declare the Watts Grove Depot surplus to requirements.



17/7/13