


<p>Individual Mayoral Decision Proforma Decision Log No: 54</p>	 TOWER HAMLETS
<p>Report of: Aman Dalvi, Corporate Director, Development & Renewal</p>	<p>Classification: Part Exempt</p>
<p>New Homes: Bradwell – Works Contract</p>	

Is this a Key Decision?	No
Decision Notice Publication Date:	17 th February 2014
General Exception or Urgency Notice published?	Not required
Restrictions:	<p>Appendix –</p> <p>Section 12A 1972 Act</p> <p>3 Information relating to the financial or business affairs of any particular person (including the authority handling the information)</p>

EXECUTIVE SUMMARY

In November 2013, Cabinet approved the capital estimate of £2,451,000 for the Bradwell Street development based on a cost plan which was developed for the funding bid of May 2013. Cabinet also delegated to the Corporate Director the authority to enter into negotiations, and undertake procurement activities including the letting of contracts in respect of the development of twelve new homes at the Bradwell Street site.

Following the appointment of the Employer’s Agent who provides technical advice and acts as cost consultant to Tower Hamlets Homes, the project costs have been re-appraised and revised. In addition to increased technical costs, the construction market has seen considerable activity over the last year with London seeing an unprecedented property boom. This has resulted in a review of the project costs, which shows a build cost increase exceeding £600,000.

The report also seeks authorisation for a revised contract value of £2,755,000.

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 Assistant Chief Executive (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. Adopt a revised capital estimate of £3,058,000, to supersede the previous capital estimate of £2,451,000 that was approved in November 2013. This is an increase of £607,000 from the original capital estimate adopted.
2. Approve the transfer of £190,000 from the already adopted capital estimate for the funding of Overcrowding Reduction Initiatives (Cabinet – 8 May 2013). This will be a contribution towards the increased scheme costs arising from the proposed works to make three properties suitable for use by households that include a disabled member with high medical need.
3. Approve the letting of the building works contract not to exceed the value of £2,755,000.
4. Authorise the Corporate Director - Development & Renewal in consultation with the Mayor to award the building works contract/s
5. Authorise the Corporate Director - Development & Renewal in consultation with the Service Head - Legal Services to agree terms for the contract/s at 4 above
6. Authorise the Service Head Legal Services to execute all necessary documents to implement the decision at 4 above.

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 4/3/2014.

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 4/3/14.


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)

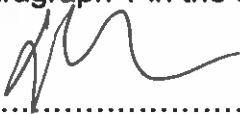
I confirm that this decision:-

- (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 4/3/14.

4. Mayor

I agree the decision proposed in paragraph above for the reasons set out in paragraph 1 in the attached report.

Signed  Date 18/3/14.

