

<b>Committee:</b> Overview & Scrutiny	<b>Date:</b> 12 <sup>th</sup> May, 2015	<b>Classification:</b> Unrestricted	<b>Report No.</b> <b>5.1</b>
<b>Report of:</b> Service Head, Democratic Services  <b>Originating Officer(s):</b> David Knight, Committee Services Officer		<b>Title:</b> New Civic Centre Whitechapel – procurement proposal and programme  <b>Wards:</b> All	

## 1. SUMMARY

- 1.1 The attached report “New Civic Centre Whitechapel – procurement proposal and programme” was considered by the Mayor in Cabinet on 8 April, 2015 and has been “Called In” with regard to the packaged development and disposals procured via OJEU – raises serious concerns, particularly with regard to cost and timings by Councillors Rachel Blake; Rachael Saunders; Amina Ali; Shiria Khatun and Councillor Clare Harrisson. This is in accordance with the provisions of rule 16 of the Overview and Scrutiny Procedure Rules in Part 4 of the Council’s Constitution.

## 2. RECOMMENDATION

- 2.1 That the OSC considers
- A. The contents of the attached report, review the Mayor in Cabinet’s decision (provisional, subject to Call In) arising; and
  - B. Decide whether to accept the decision or to refer the matter back to the Cabinet with proposals and reasons.

## 3. BACKGROUND

- 3.1 The request (received 17 April, 2015) to “call-in” the Mayor in Cabinet’s decision published on 10 April, 2015 was submitted under rule 16 of the Overview and Scrutiny (OSC) Procedure Rules. It was considered by the Interim Monitoring Officer who has delegated responsibility for calling in Cabinet and Mayoral decisions in accordance with agreed criteria.
- 3.2 The Call-In request fulfilled the required criteria and the decision is referred to OSC in order to consider whether or not to refer the matter back to the Cabinet for further consideration.
- 3.3 Implementation of the Cabinet decision is suspended whilst the “Call In” is considered.

## **4. THE MAYOR IN CABINET'S PROVISIONAL DECISION**

4.1 The overall report, attached at Appendix 1, considered the procurement proposal and programme in relation to the New Civic Centre at Whitechapel . However, the Call-In request was specifically about the decision to agree Option 2 (as set out in paragraph 2.3 of the Cabinet report) – i.e. a packaged development and disposals procured via OJEU – raises serious concerns, particularly with regard to cost and timings. However for ease, all the Decisions agreed by the Mayor in Cabinet in relation to the report are listed below:-

### **DECISION**

The report contained recommendations that related to disposals and to entering into contracts; provided an update on the status of the acquisition of the site for the new Civic Centre and presented the business case as requested for the new Civic Centre. The recommendations were as follows:

1. To agree option 2 as set out in paragraph 2.3 of the report, namely a packaged development and disposals procured via OJEU.
2. To adopt a capital estimate of £2.5 million to undertake investigations and complete the design to RIBA stage 2 and procure a delivery partner based on the chosen model of delivery;
3. To authorise the procurement of the required professional and technical services to undertake the work to RIBA stage 2 utilising, if available, suitable procurement frameworks available to the public sector;
4. To agree disposal of sites identified in paragraph 3.11 of this report in accordance with the Council's disposal procedure and with the requirements of section 123 of the Local Government Act 1972;
5. To note the requirement to obtain the prior approval of the Commissioners appointed by the Secretary of State prior to disposal of the sites identified in paragraph 3.11.
6. To authorise the Corporate Director, Development and Renewal, following consultation with the Service Head – Legal Services, to agree and enter into the terms and conditions of any agreements required to implement recommendations 1, 2, 3 and 4 in order to progress the civic centre project.
7. To authorise the Service Head – Legal Services to execute all documents necessary to give effect to these recommendations.

### **4.2 Reasons for Decisions**

4.2.1 The appendix to this report sets out the full reasons for the proposals.

### **4.3 Alternative Options Considered**

4.3.1 The appendix to the report set out any alternative options considered and they can be seen in the attached appendix to the Cabinet report.

## **5. REASONS AND ALTERNATIVE COURSE OF ACTION PROPOSED FOR THE 'CALL IN'**

5.1 The Call-in requisition signed by the five Councillors listed above gives the following reason for the Call-in:

5.1.1 We hereby call-in the Mayor's decision in Cabinet (Wednesday 8<sup>th</sup> April) with regard to the decision to agree Option 2 (as set out in paragraph 2.3 of the Cabinet report) – i.e. a packaged development and disposals procured via OJEU – raises serious concerns, particularly with regard to cost and timings.

5.1.2 The overall cost of the project raises concerns which merit full review and thorough scrutiny. The deliverability of this project is also under question, as the Mulberry Place lease ends in 2020, meaning staff have to decant by September 2019. This will leave no margin of error and require the project to be delivered precisely on schedule. There is also no clear detail on where council staff will be based in the interim period.

5.1.3 The change to the procurement route for the new Civic Centre was announced last-minute, at the Cabinet meeting itself. This decision was not fully explained and members were not given enough time to adequately consider the implications or address the downsides identified by officers.

5.1.4 The uncertainty over the loss of One Stop Shop and Idea Stores provision is of further concern. The list of disposal sites identified in the report, including the sale of Gladstone Place (the Bow ideas store) and the loss of Southern Grove as a Community Land Trust will have a negative effect on the borough and therefore merit reconsideration.

5.1.5 Members of the council have also expressed concerns over the sequence of events leading to this decision, whereby the Royal London Hospital building was acquired first – and the service delivery model considered afterwards.

5.1.6 The Civic Centre Whitechapel project also raises questions over the redevelopment of Roman Road.

### **5.2 Alternative action proposed:**

5.2.1 That the Executive:

- 1) Fully outline and explain the proposals - and the options that were rejected – to ensure clarity;
- 2) Fully reconsiders all options for provision of a Town Hall; and
- 3) Pursue purposeful engagement on the options with all members of the Council.

## **6. CONSIDERATION OF THE “CALL IN”**

- 6.1 Having met the “Call In” request criteria, the matter is referred to the OSC in order to determine the “Call In” and decide whether or not to refer the matter back to Cabinet for further consideration.
- 6.2 The following procedure is to be followed for consideration of the “Call In”:
- (a) Presentation of the “Call In” by one of the “Call In” Members followed by questions from members of OSC.
  - (b) Response from the Lead Member/officers followed by questions from members of OSC.
  - (c) General debate followed by OSC decision.

**N.B. In accordance with the OSC Protocols and Guidance adopted by the Committee at its meeting on 4<sup>th</sup> June, 2013, any Member(s) who present(s) the “Call In” is (are) not eligible to participate in the general debate.**

- 6.3 It is open to the OSC to either resolve to take no action (which would have the effect of endorsing the original Mayoral decision/s), or to refer the matter back to the Mayor for further consideration setting out the nature of its concerns and possibly recommending an alternative course of action.

## **7. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 7.1 The comments of the Chief Financial Officer are incorporated in the attached report.

## **8. LEGAL COMMENTS**

- 8.1 The Mayor in Cabinet’s decision has been called-in in accordance with the Overview and Scrutiny Procedure Rules set out in the Council’s Constitution. The alternatives presented in paragraph 2.1 of the recommendations in this report are options available to the Committee under the Overview and Scrutiny Procedure Rules.
- 8.2 Legal comments relevant to the Mayor’s decision and to the review by the Overview and Scrutiny Committee are set out in the report on which the decision was based.

**9. APPENDICES**

Appendix 1 – New Civic Centre Whitechapel – procurement proposal and programme

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**Local Government Act, 1972 Section 100D (As amended)  
List of “Background Papers” used in the preparation of this report**

**Brief description of “background papers”**

**Name and telephone number of holder and address where open to inspection.**

None