


<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">4 JUNE 2018</p>	
<p style="text-align: center;">APPROVAL TO ALLOCATE ADDITIONAL FUNDS TO THE WATERMEADOW COURT DEMOLITION BUDGET</p>	
<p>Report of the: Cabinet Member for the Economy and the Arts – Councillor Andrew Jones and Cabinet Member for Housing – Councillor Lisa Homan</p>	
<p>Open report A separate report on the exempt part of the Cabinet agenda provides financial information.</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Wards Affected: Sands End</p>	
<p>Accountable Director: Jo Rowlands, Strategic Director for Growth & Place</p>	
<p>Report Author: Matt Rumble, Head of Area Regeneration</p>	<p>Contact Details: Tel: 07786747488 E-mail: matt.rumble@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report concerns the redevelopment of Watermeadow Court Estate under the Joint Venture arrangement with Stanhope.
- 1.2. The report requests additional budget for clearance, enabling works and security of the buildings on the site under the demolition contractor Coleman and Company (C&C) and gives reasons for the additional budget requirement. It also seeks approval for direct award of security services to the demolition and enabling works contractor, Coleman & Company to keep the site secure and protect the integrity of the site until hard demolition commences.
- 1.3. This report also requests additional budget for Employer's Agent consultancy fees, consultancy contingency and capitalised staff salaries and UK Power Networks utility disconnection costs and gives reasons for the additional budget requirement.

2. RECOMMENDATIONS

- 2.1. That approval be given to allocate an additional £563,000 to the approved budget for the site clearance, enabling work and demolition of Watermeadow Court Housing Estate to cover the increased costs of site clearance and security under the demolition and enabling works contract funded by unrestricted capital receipts from the Decent Neighbourhoods programme and to note this will ultimately increase the Housing Capital Financing Requirement.
- 2.2. That approval be given to allocate an additional £95,000 to the already approved budget of £100,000 for increased Employer's Agent consultancy fees, consultancy contingency and capitalised staff salaries and UK Power Networks utility disconnection costs funded by unrestricted capital receipts from the Decent Neighbourhoods programme and to note this will ultimately increase the Housing Capital Financing Requirement.

3. REASONS FOR DECISION

- 3.1. These are set out in the exempt part of the Cabinet agenda.

4. PROPOSAL AND ISSUES

- 4.1. These are set out in the exempt part of the Cabinet agenda.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. These are set out in the exempt part of the Cabinet agenda.

6. CONSULTATION

- 6.1. No external consultation has taken place on recommendations in this report

7. EQUALITY IMPLICATIONS

- 7.1. It is not anticipated that there will be any negative implications for any groups with protected characteristics, under the terms of the Equalities Act 2010, with the granting of additional funds to cover the increased costs of site clearance and security at Watermeadow Court Housing Estate.
- 7.2. Peter Smith, Head of Policy and Strategy, Tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1. This report follows on from a Leaders Urgency report last year when approval was given to the award of a main works demolition contract, and to an enabling works contract (including site clearance) formalised through a letter of intent. The main works contract has not yet been formally awarded pending resolution of planning issues.

- 8.2. With the site clearance element of the works being more expensive than envisaged, approval is sought to extend the scope of the letter intent to cover this.
- 8.3. For the additional security required to keep the site secure, this was not part of enabling works contract as approved last year, because that included only a nominal cost for security. For the purpose of both Council Contract Standing Orders (CSOs) and the European public procurement regime, this additional need for services is treated as a new contractual requirement.
- 8.4. Under the European public procurement regulations, this new requirement would be for services as opposed to works. The current threshold for tendering services requirements is £181,302, so assuming that the contract value indicated in item 4.14 (contained in the exempt part of the report) of £166k is not exceeded significantly, then there is no breach of the European procurement rules. However, if the main contract were not awarded in August as anticipated, there is a risk that this threshold will be exceeded, which would place the Council in breach of the regulations.
- 8.5. Under CSO 3, a waiver of the requirement to comply with Contract Standing Orders, especially in relation to procurement procedures, can be granted where the relevant decision-maker is satisfied that one of five specified justifications is made out. Here the relevant ground would be that the waiver is “in the Council’s overall interests”, and members need to be satisfied that the explanation given in section 4 (contained in the exempt part of the report) does explain how the waiver is in the Council’s overall interests.
- 8.6. Members also need to be satisfied that there is sufficient information about the proposed budget increase for them to make a decision on this.
- 8.7. Deborah Down, Senior Associate at Sharpe Pritchard on secondment to the Council – email: dtdown@sharpepritchard.co.uk

9. FINANCIAL IMPLICATIONS

- 9.1. These are set out in the exempt part of the Cabinet agenda.

10. IMPLICATIONS FOR BUSINESS

- 10.1. The demolition contract’s employer’s requirements will place an obligation on C&C to undertake targeted recruitment and training and use local supply chains and business where possible.
- 10.2. David Burns, Head of Housing Strategy, Tel. 07810057485.

11. COMMERCIAL IMPLICATIONS

- 11.1 These are set out in the exempt part of the Cabinet agenda.

12. IT IMPLICATIONS

- 12.1. No implications for ICT.
- 12.2. Veronica Barella, interim Chief Information Officer, Tel. 020 8753 2927.

13. RISK MANAGEMENT

- 13.1. The report proposals are consistent with expectations of the local taxpayer and community to manage local environmental issues around the site. This is to ensure a safe site by reducing potential hazards caused by waste and a provide a secure site. The purpose of this report is to approve a budget to mitigate risks associated with the Watermeadow court site The works instructed to date have ensured that the site is fully cleared and cleaned. It has also de-risked the site of a number of health and safety hazards and removed a large fire risk.
- 13.2. The appointed works contractor C&C maintain a project risk register.
- 13.3. Michael Sloniowski, Risk Manager, Tel. 020 8753 2587.

14. OTHER IMPLICATIONS PARAGRAPHS

- 14.1. None

BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
	None		

LIST OF APPENDICES: NONE