

# **MINUTES OF THE CABINET MEMBER SIGNING HELD ON WEDNESDAY, 26TH JULY, 2023, 2:30PM-2:40PM**

**PRESENT:** Councillor Ruth Gordon, Cabinet Member for Council House Building, Placemaking and Local Economy

**IN ATTENDANCE:** Kodi Sprott, Principal Committee Coordinator, Nazyer Choudhury, Principal Committee Coordinator, Bhavya Nair, Principal Committee Coordinator and Anna Blandford, Head of Housing Development

## **1. FILMING AT MEETINGS**

The Chair referred to the notice of filming at meetings and this information was noted.

## **2. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

## **3. URGENT BUSINESS**

There were no items of urgent business.

## **4. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS**

There were none.

## **6. NEW CONTRACTUAL ARRANGEMENT WITH AN EXISTING CONSTRUCTION COMPANY CONTRACTED WITH THE COUNCIL**

This report sought approval from the Cabinet Member for Council Housebuilding, Placemaking, and Local Economy to terminate existing Construction Contracts with Contractor A for Sites 1,2 and 3 and simultaneously enter in to an alternative Construction Management Agreements for Sites 1,2 and 3 with Contractor A and direct Contracts with sub – contractors.

The Cabinet Member stated that the new arrangements were useful and enabled a direct relationship with subcontractors.

**The Cabinet Member for Council House Building, Placemaking and Local Economy RESOLVED**

1. To grant approval of the mutual termination of Construction Contracts between the Council and Contractor A at Sites 1,2 and 3.
2. To grant approval for a Contract for Construction Management between the Contractor A for Sites 1, 2 and 3 at a fee of 4% of the outstanding costs to complete fixed at the date of entry in to the Construction Management Contract with no mechanism for uplift.
3. To grant approval for direct award Contracts between the Council and nominated sub contractors for the Sites 1,2 and 3 and delegate to the Director of Placemaking and Housing authority to award individual sub contracts subject to approval from the Head of Procurement to each of those direct awards and approval from the Head of Legal and Head of Finance ( Housing ) to the terms of those direct awards.
4. To approve to delegate to the Assistant Director of Housing authority to sign off any instructions that may be required to be discharged from the contingencies being sought for approval in the report.

### **Reason for Decision**

To ensure that the Council's Housing Delivery Programme continued to provide high quality Council Housing at affordable rents, constructed to a good standard and made available to new Tenants as soon as possible in accordance with the Council's overriding Policy objective of providing 3,000 new Council Homes by 2032.

### **Alternative options considered**

Following discussions with Contractor A, which accorded with the Mediation Provisions of the JCT ( Joint Contracts Tribunal ), the Council have considered a number of mitigations which include:

- a. Increased spend on Sites 1, 2 and 3 without additional Contractual variations, or, financial checks – This mitigation would not satisfactorily protect the Council's financial position.
- b. Terminated contracts on Sites 1, 2 and 3 either by mutual consent, or, by virtue of Contractor A having to enter insolvency – This mitigation would require the Council to reprocure all of those Works at costs that would be disproportionately high.

It is considered that neither of the alternatives listed above would meet the Council's value for money requirements and would result in an unacceptable delay to the completion of much needed Council Housing in the Borough.

## **7. NEW ITEMS OF URGENT BUSINESS**

There were none.

## **8. EXCLUSION OF THE PRESS AND PUBLIC**

Item 9 was likely to be subject to a motion to exclude the press and public from the meeting as they contain exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paragraph 3, information relating to the financial or business affairs of any particular person (including the authority holding that information).

**9. EXEMPT - NEW CONTRACTUAL ARRANGEMENT WITH AN EXISTING CONSTRUCTION COMPANY CONTRACTED WITH THE COUNCIL**

The Cabinet Member considered the exempt information.

CHAIR: Cllr Ruth Gordon

Signed by Chair .....

Date .....27/07/2023.....