

MINUTES OF MEETING Cabinet Member Signing HELD ON Wednesday, 22nd May, 2024, 11:00 – 11:05

PRESENT:

Councillors: Ruth Gordon

ALSO ATTENDING: Kodi Sprott, Principal Committee Coordinator, Scott Mundy, Regeneration Manager

1. FILMING AT MEETINGS

The Cabinet Member for Placemaking and Local Economy 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. APPROVAL TO VARY THE CONTRACT WITH PINSENT MASONS TO PROVIDE LEGAL ADVISOR SERVICES FOR THE HIGH ROAD WEST REGENERATION PROGRAMME

This report sought approval by the Cabinet Member for Placemaking and the Local Economy for a contract variation under Contract Standing Order (CSO) 10.02.1 (B), to increase the contract value. CSO 10.02.1 (B) states that subject to provisions of CSO 3.01 and the Regulation 72 of Public Contracts, compliance with Financial Regulations and subject to satisfactory outcomes of contract monitoring, Cabinet may authorise a variation to a contract.

As noted, in 2017 the Council entered into a DA and CPOIA with Lendlease to deliver the Scheme. The DA sets out the agreed commitment to deliver the regeneration of the Love Lane Estate and surrounding land to deliver the following:

- ☐ Over 2,600 high-quality, sustainable homes, including at least 546 council owned social rent homes.

- Over 130,000sqft of commercial, retail and leisure space throughout the Scheme
- Funding for social and economic support for businesses and residents
- A new Library and Learning Centre and a refurbished Grange Community Hub
- Public Realm investment including a civic square, c.143,000sqft of green space, a large new community park with an outdoor gym, children's play area and new gardens.

The CPOIA sets out both the Council and Lendlease's obligations to acquire and secure vacant possession of the land within the Scheme, including considering the use of CPO powers.

RESOLVED

The Cabinet Member for Placemaking and the Local Economy was recommended to approve the variation of the contract with Pinsent Masons LLP, to increase the value of the contract by the amount set out in the exempt report, pursuant to CSO 10.02.1 (B), for the reasons set out in the body of this report.

Reasons for decision

The Council required the support of a strong and highly regarded legal practice for the Scheme, to provide legal advice and support across a range of legal issues, including land assembly, CPO and management of funding agreements and the DA in place between the Council and Lendlease.

In March 2022, following a competitive procurement exercise, the Council awarded a contract to Pinsent Masons as the Most Economically Advantageous Tender for the legal advisor contract to support the Scheme and was appointed on a four-year contract. Since being appointed, Pinsent Masons has provided valuable support to the Council in key workstreams across the range of legal issues mentioned above and delivered on their brief to a high standard.

Although there were two years remaining on the contract, the contract spend was projected to reach the current limit within the next six months. This was a result of the Council requiring a significantly greater level of legal service provision over the course of the contract to date, particularly in relation to the land assembly and CPO workstreams. In this period, the Council had made a CPO to enable delivery of Phase A, which was confirmed on behalf of the Secretary of State for Levelling Up, Housing and Communities in February 2024. In addition, the Council and Lendlease have been working towards satisfying the phase conditions within the DA for the first sub-phase, Phase 1A.

It was therefore recommended that the current contract be varied to accommodate further expenditure on legal services. This will include ongoing advice related to land assembly and the DA, to prepare for the delivery of the next sub-phases of the Scheme following Phase 1A. There was clear justification for continuing the service provision by Pinsent Masons, based on their performance under the

contract to date and strong knowledge of the Scheme, and given that there were two years remaining on the contract.

It was anticipated that this increase in the contract value would allow for approximately twelve months of additional work beyond the current allowance. This would provide the Council with consistency of service up to this date, and additional time to reprocur a new service provider on a longer-term contract.

A significant majority of the costs of the legal contract, specifically all the costs relating to land assembly and CPO, would be reimbursable by Lendlease on a phased basis over the duration of the Scheme through the provisions within the CPOIA. The Council would grant leases to Lendlease for individual phases once conditions within the DA are met, and the costs that the Council had incurred in assembling the land interests for each phase, including the costs of legal advice, would be reimbursed to the Council. While a small portion of the costs of the legal contract will not be reimbursable, that being costs for advice on the DA, CPOIA and GLA funding agreements, it was important that the Council had access to the appropriate expert legal advice for these matters, to ensure that it delivered on its legal obligations and that it maintains a robust position in any discussions related to these agreements.

Alternative options considered

To carry out the work in house:

As spend on this contract reaches capacity, the Council may consider reverting to these services to an inhouse resource. Currently, however there was insufficient capacity to carry out the scope of this legal advisor function in house. This variation allowed the Council to benefit from Pinsent Masons skills, knowledge and resources, as well strong previous track record on the Scheme that will support the Council progressing into the next stage of the programme

Not to vary this contract and procure a new provider:

Not to vary this contract would result in the loss of technical expertise to support the Scheme for a period of time until the new legal advisor services were procured and onboarded. This would represent a substantial risk to the delivery of the scheme, including financial, legal and programme risks. By varying the value of this contract, the Council would benefit from consistent service delivery for a further period of around twelve months and provide additional time to reprocur a new service provider on a longer-term contract when the spend limit was reached.

6. EXCLUSION OF THE PRESS AND PUBLIC

To exclude the press and public be from the meeting as it contains exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 3 and 5, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

7. EXEMPT APPROVAL TO VARY THE CONTRACT WITH PINSENT MASONS TO PROVIDE LEGAL ADVISOR SERVICES FOR THE HIGH ROAD WEST REGENERATION PROGRAMME.

The Cabinet Member for Placemaking and the Local Economy considered the exempt information.

CHAIR:

Signed by Chair

Date22/05/2023.....