

	<b>Report from the Corporate Director, Neighbourhoods and Regeneration</b>
	<b>Lead Cabinet Member for Regeneration, Planning &amp; Property</b>
<b>Authority to vary the contract with Guildmore Limited for Planned Regeneration Improvements works at the Carlton &amp; Granville Centre</b>	

<b>Wards Affected:</b>	Kilburn
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt - Appendix 1 is exempt as they contain the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
<b>List of Appendices:</b>	Appendix 1 – Settlement Agreement (exempt)
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Archika Kumar Head of Estate Regeneration Archika.Kumar@brent.gov.uk

## 1.0 Executive Summary

- 1.1. This report concerns the Planned Regeneration Improvement works at the Carlton and Granville Centre. This report requests individual Cabinet Member approval to vary the contract for Planned Regeneration Improvement works at the Carlton and Granville Centre with Guildmore Limited in accordance with paragraph 13 of Part 3 of the Constitution. The report summarises the reasons for the request to vary the contract.

## 2.0 Recommendation(s)

That the Cabinet Member for Regeneration, Planning & Property, having consulted with the Leader:

- 2.1. Approves the variation of the contract with Guildmore Limited for Planned Regeneration Improvement works at the Carlton & Granville Centres in accordance with paragraph 13 of Part 3 of the Constitution.

### **3.0 Detail**

- 3.1. The Council entered into a Design and Build contract with Guildmore Limited ('the Contractor') for Planned Regeneration Improvement works at the Carlton & Granville Centre on 1<sup>st</sup> June 2022 (the "Contract").
- 3.2. Works under the Contract include the partial demolition of existing structures on site including part of the Granville building, refurbishment of the Granville and Carlton Centre and construction of 3 buildings ranging from one to eight storeys in height. The development includes 18 self-contained affordable homes, community kitchen, community halls, event spaces, café, family well-being centre, nursery and outdoor amenity areas for community use.
- 3.3. The delivery of the works has suffered delays due to poor contractor performance including contractual disputes around extension of time and money claims arising from contract variations, fixing of provisional sums, and party wall award etc. Whilst delayed, the works have continued site, the contract value and scope of works however has incrementally been amended since contract start in 2022.
- 3.4. The Employer's Agent has valued 52% of the total works having been completed to date including part completion of the Granville plus nursery, Family Well-being Centre and Affordable Workspaces. Works completed thus far are of a high standard and has been inspected and verified by Clerk of Works' weekly reports.
- 3.5. In order to complete the works, Officers consider that the contract needs to be varied and have agreed terms of the contract variation with the Contractor as detailed in Appendix 1.
- 3.6. Under section 3(b) of the table at paragraph 9.5 of Part 3 of the Constitution, Corporate Directors may only vary contracts and agreements provided that:
  - (a) the variation would not be in breach of Procurement Legislation.
  - (b) the variation does not substantially alter the terms and conditions of the contract.
  - (c) there is sufficient existing budgetary provision.
  - (d) provided that in the case of any variation (other than an extension):
    - (i) the total value of the variation is less than £1m; and
    - (ii) if the total value of the variation (and any previous variations agreed under this provision) is more than £50k it is not more than 50% of the original contract value (calculated over the life of the contract including any extensions or possible extensions and adjusted in accordance with any price review mechanism provided for in the contract).

- (e) The relevant cabinet member shall be consulted prior to a decision within (d) (i) or (ii) above and may request that the decision instead be referred to them.

For the reasons detailed in paragraphs 3.6 the Corporate Director does not have delegated powers to agree the variation but pursuant to paragraph 13 of Part 3 of the Constitution, the Cabinet Member for Regeneration, Planning & Property subject to consultation with the Leader has delegated powers approve the variation of the Contract.

## **Contribution to Borough Plan Priorities & Strategic Context**

### **3.7. Borough Plan**

- 3.8. The contract variation will ensure this project continues to completion, and aligns with the borough plan in the following ways:
- 3.9. Prosperity and Stability in Brent – The SKT affordable workspace has already part opened. The settlement agreement will ensure the delivery of the remainder of this workspace.
- 3.10. Thriving Communities – The Council is committed to providing high-quality community spaces. The Granville is a community hub that brings people together for activities, events, meetings and interaction. The current facilities are in poor condition and by completing this contract these facilities will ensure the hub is sustainable for the longer term.
- 3.11. The Best Start in Life – There are two educational facilities which will benefit from major improvements and expansions to their spaces. The Family Wellbeing Centre is focused on raising the attainment of particular groups and narrow the gap with their peers. Granville Plus Nursery School has a particular focus on improving the attainment of pupils with Special Educational Needs and Disabilities.

### **4.0 Stakeholder and ward member consultation and engagement**

- 4.1 Ward members have been kept up to date during the various stages of the project.

### **5.0 Financial Considerations**

- 5.1 The original contract value and the uplift to the same is detailed in paragraph 3.1. of Appendix 1- part 1 (exempt). This report requests approval to increase of the contract value accordingly'.
- 5.2 The contract increase will be funded by capital receipts from South Kilburn land receipts and prudential borrowing. In addition, officers have submitted a safeguarding bid to the GLA for the affordable housing element of the scheme. The affordable housing already has a negative NPV at year 55 so this contract

uplift will make this viability position worse unless the safeguarding bid is successful.

- 5.3 The remaining financial implications have been set out in paragraphs 3.2. to 3.3. of Appendix 1 - part 1 (exempt).

## **6.0 Legal Considerations**

- 6.1 The contract was procured under the Public Contracts Regulations 2015 (the 'PCR s2015') and any amendments/variations to the contract is subject to the provisions of the PCR 2015, as the original value of the contract was in excess of the threshold for works under the PCR 2015. The variation/amendment is also subject to the Council's own Standing Orders ('CSO') in respect of High Value Contracts and Financial Regulations.
- 6.2. Officers recommend variation of the contract as set out in paragraphs 3.4 and 3.5 above, and as mentioned above, under section 3(b) of the table at paragraph 9.5 of Part 3 of the Constitution, Chief Officers and Directors are able to vary contracts and agreements without the need for Cabinet approval if the conditions set therein are met but where the conditions are not met, the decision is to be referred to the relevant Cabinet Member in accordance with paragraph 13 of Part 3 of the Constitution.
- 6.3. Based on the value of the contract and the variation, the variation would not be in breach of the PCR as modifications (variations) of contracts are allowed without commencing a new procurement if the conditions set out under regulations 72 of the PCR are met. The terms and conditions of the JCT DB contract entered into by the parties will not be substantially altered as a result of the variation recommended under this report. Officers have confirmed that there is sufficient budgetary provision to cover the variation. As the value of the variation is above the threshold set in paragraph 3(b)(d) of Part 3 of the Constitution, in accordance with paragraph 13 of Part 3 of the Constitution, the Cabinet Member for Regeneration, Planning & Property, subject to consultation with the Leader, has delegated powers to approve the variation of the Contract.
- 6.4. The Director of Law, after reviewing, approves the Council entering the contract variation as referred to in paragraph 2.1.

## **7.0 Equity, Diversity & Inclusion (EDI) Considerations**

- 7.1 The Public Sector Equality Duty, as set out in section 149 of the Equality Act 2010, requires the Council, when exercising its functions, to have "due regard" to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, to advance equality of opportunity and foster good relations between those who have a "protected characteristic" and those who do not share that protected characteristic. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. Brent council also internally recognises care experience and socio-economic status as protected characteristics.

- 7.2 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 7.3 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary. This is especially important in regeneration contexts, where change can have varied effects on different communities.

## **8.0 Climate Change and Environmental Considerations**

- 8.1 As this report is seeking a procedural decision, there are no direct climate change and environmental considerations. With regards to the construction of the new site, environmental sustainability implications will have been considered in line with the relevant planning regulations at the time of previous key decisions.

## **9.0 Human Resources/Property Considerations**

- 9.1 There are no Human Resources/Property Considerations specifically linked to this project.

## **10.0 Communication Considerations**

- 10.1 There are no Communication Considerations specifically linked to this project.

### **Report sign off:**

*Jehan Weerasinghe*  
Corporate Director Neighbourhoods and Regeneration