

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3993
Author:	Margaret Coward
Department:	Development and Growth
Contact:	Margaret Coward (Job Title: Senior Regeneration Officer, Email: margaret.coward@nottinghamcity.gov.uk, Phone: 01158762142)
Subject:	Development Costs of Bespoke Accommodation
Total Value:	See exempt appendix (Type: Capital)
Decision Being Taken:	To approve an amendment to the Public Sector Housing Capital Programme to the approved total budget, as detailed in the exempt appendix, to develop bespoke accommodation for affordable rent.
Reasons for the Decision(s)	<p>The decision to build bespoke accommodation was made by Delegated Decision 3853 in April 2020. This decision included a budget based on QS estimates. The scheme has now gone out to tender and the tender price is not within the approved financial envelope. These cannot be covered by the contingency provided in the approved total budget costs. Details are set out in the exempt appendix.</p> <p>The scheme will utilise the Right to Buy (RTB) receipts which the Council retains and can only use towards the re-provision of new affordable homes, and fund up to 30% of development costs.</p>
Other Options Considered:	<ol style="list-style-type: none">1. Discontinue the scheme - this option was rejected due to the Council's legal obligation to provide suitable accommodation.2. Redesign the scheme to achieve savings - this option was rejected as the scheme has been value engineered as much as possible.
Background Papers:	None

Published Works: Leaders Key Decision 3853 'Development of Bespoke Accommodation'

Affected Wards: St Ann's

Colleague / Councillor Interests: None known

Any Information Exempt from publication: Yes

Exempt Information:

Description of what is exempt: Financial information about the decision including the value of the decision; financial advice

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

2 - Information which is likely to reveal the identity of an individual The public interest in maintaining the exemption outweighs the public interest in disclosing the information because persons or individuals could be identified by disclosing details of their unique circumstances

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the contract has been tendered and disclosing details could prejudice contract negotiations.

Documents exempt from publication: Exempt Appendix Bespoke Increase Budget- Finance comments v4 - Final.docx, Exempt Appendix Bespoke MC final.docx

Consultations: Date: 03/08/2020

Other City Council Bodies: Building a Better Nottingham Steering Group
Agreed acceptance of tenderer subject to approval of revised total budget

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

EIA not required. Reasons: Does not provide any change in function or policy

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

01/10/2020

Advice Sought:

Legal, Finance

Legal Advice:

This decision is requesting approval for an increased budget for the proposed bespoke accommodation. Legal advice has previously been provided under the Leader's Key Decision with regard to the project and this advice remains unchanged.

The original financial budget was based on the QS estimated costs so it is necessary to understand where the increase in build costs has arisen to ensure that the Council can demonstrate value for money and comply with its Best Value obligations. The reasons have been clearly included in the exempt appendix and are considered by independent professionals to be reasonable within the market. On this basis there are no additional legal concerns arising from the decision to be taken.

Advice provided by Naomi Vass (Senior Solicitor) on 09/09/2020.

Finance Advice:

This advice is exempt from publication and is contained within an exempt appendix.

Advice provided by Julie Dorrington (Senior Accountant (Housing Revenue Account)) on 15/09/2020.

Signatures

Linda Woodings as Portfolio Holder (PH Housing, Planning and Heritage)

SIGNED and Dated: 23/09/2020

Chris Henning (Corporate Director for Development and Growth)

SIGNED and Dated: 18/09/2020