



Havering
LONDON BOROUGH

Notice of NON KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt and Appendices [A] is not available for public inspection as it contains or relates to exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to financial information/valuation and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

Subject Heading:	North Street LNRRR – Jacobs Ltd Contract Variation
Decision Maker:	Mark Butler – Assistant Director of Regeneration and Place Shaping
Cabinet Member:	Councillor Graham Williamson, Cabinet Member for Development and Regeneration
SLT Lead:	Neil Stubbings, Strategic Director of Place
Report Author and contact details:	Clare Brennan Clare.Brennan@Havering.gov.uk 01708434693
Policy context:	Havering Inclusive Growth Strategy 2020-2045 Havering Local Plan 2016-31
Financial summary:	This reports seeks authority to vary the contract sum for the Consultancy Contract that was entered into on 16.10.23 with Jacobs Ltd for the sum of £162,385.00. The variation is for the sum of £25,204.00 which will increase the total contract value to £187,589.00. The increase can be covered within the existing Capital

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	Budget for the 2024/25 financial year which is £1,435,115.25
Relevant Overview & Scrutiny Sub Committee:	Places
Is this decision exempt from being called-in?	The decision will be exempt from call in as it is a Non key Decision

The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents X

Place - A great place to live, work and enjoy X

Resources - A well run Council that delivers for People and Place.

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION
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Assistant Director of Regeneration and Place Shaping is recommended to give authority to increase the existing consultancy contract sum for Jacobs Ltd by £25,204.00 from £162,385.00 to £187,589.00 from July 2024.

AUTHORITY UNDER WHICH DECISION IS MADE

Scheme 3.3.3

Powers common to all Strategic Directors

2. Expenditure

2.1 To incur expenditure for their allocated directorate within the revenue and capital budgets as approved by the Council, or as otherwise approved, subject to any variation permitted by the Council's contract and financial procedure rules.

STATEMENT OF THE REASONS FOR THE DECISION

1. A contract with Ringway Jacobs was procured in July 2018 through a mini tender process under the TFL London Highways Alliance (LoHAC) Framework. Ringway Jacobs were employed to design and deliver the construction of the Liveable Neighbourhoods Romford Ring Road Scheme (LNRRR) which was funded by TFL. Jacobs Ltd provided consultancy services for Ringway Jacobs who were to deliver the scheme.
2. The LNRRR scheme was paused in November 2021 at the end of TFL Gate 2, when TFL's financial position led them to withdraw their funding for the LNRRR scheme.
3. In October 2023, a decision was taken to deliver the scheme at North Street Roundabout which would be Phase 1 of the improvements to Romford Ring Road and the Council allocated £1,200,000.00 Community Infrastructure Levy (CIL) funding to the scheme. Further funding of £245,717.00 Capital and £157,228.00 Revenue was subsequently obtained from the UK Shared Prosperity Fund (UKSPF). The 2024/25 Capital Budget for the scheme is £1,435,115.25.
4. By October 2023, the LoHAC Framework had expired and it was not possible to extend the contract with Ringway Jacobs. This contract was therefore ended.
5. On 16.10.23 a contract with Jacobs Ltd was executed for the sum of £162,385.00.
6. Initial discussions with TFL have led to TFL identifying a requirement for an additional 6 demand led traffic models in order for them to assess whether the scheme can be approved. The additional modelling requirement is due to the

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extent of new development that is likely to take place within the traffic modelling catchment area applicable to North Street Roundabout by 2031 and 2041.

7. It was not possible to foresee the requirement for additional demand led modelling because it was not apparent that it would be required until access was granted to the London Highway Assignment Model (LoHAM) and initial discussions took place with TFL.
8. A contract variation of £25,204.00 is therefore requested in order for the necessary demand led traffic modelling to be completed. This will increase the total contract sum from £162,385.00 to £187,589.00.

OTHER OPTIONS CONSIDERED AND REJECTED

- 1) Do not vary the contract

It would not be possible to complete the traffic modelling that has been started and deliver the North Street Roundabout scheme.

PRE-DECISION CONSULTATION

None.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Clare Brennan

Designation: Regeneration Manager

Signature: 

Date: 26/6/24

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has an existing contract and is making a decision to vary the contract.

The Council has the power to vary the contract through section 111 of the Local Government Act 1972, which allows the Council to do anything which is calculated to facilitate or is conducive or incidental to the discharge of any of its functions, or through its general power of competence in section 1 of the Localism Act 2011 to do anything that individuals generally may do. There are limitations on the general power of competence, but the limitations do not apply to this decision.

The contract value is below the applicable public procurement threshold for service contracts stipulated in the Public Contracts Regulations 2015 ("PCR") of £214 904. Therefore, it is not subject to the full PCR regime.

For these reasons, the Council can vary the contract.

FINANCIAL IMPLICATIONS AND RISKS

Approval is sought to increase the existing contract with Jacobs Ltd by £25,804 to £187,589. The increased provision is necessary to facilitate the development of a further 6 demand led traffic models in order for TFL to conclude their assessment.

The will be funding from the existing capital budget of £1.43 million, underpinned by capital funding from the Community Investment Levy and the UK Shared Prosperity Fund. As such, it is not anticipated that the additional would have any adverse revenue implications.

Financial Risks

The costs are capitalised on the basis of delivering a new asset, the delivery of which is subject to an assessment which will be undertaken by TFL. Should the development not proceed, the costs incurred on this contract including the uplift would have to be taken to revenue.

While external funding is in place as a potential mitigation, approval would have to be sought from the provider to fund in effect abortive costs.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no HR implications or risks associated with the proposed contract variation.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

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The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There are no direct environmental or climate change implications or risks associated with this contract variation. However, the improvements proposed to North Street Roundabout will provide surface level crossings and planting that will plant trees and is likely to improve the local environment, increase biodiversity, and improve natural drainage.

BACKGROUND PAPERS

None

APPENDICES

Appendix A – Jacobs Ltd Contract

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

~~Proposal NOT agreed because~~

Details of decision maker

Signed 

Name:

Mark Butler

Assistant Director of Regeneration and Place

Date: 10.07.2024

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____

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