

WESTMINSTER CITY COUNCIL

STATEMENT OF DECISION

SUBJECT: BALMORAL CASTLE AND DARWIN HOUSE - APPROVAL OF THE FULL BUSINESS CASE AND THE APPOINTMENT OF THE MAIN CONTRACTOR TO DELIVER PHASES 2,3 AND 4

Notice is hereby given that , Cabinet Member for Climate Action, Regeneration and Renters, Cabinet Member for Finance and Council Reform, has made the following executive decision on the above mentioned subject for the reasons set out below.

(Approval for the main contract to deliver Block A and Block B at Darwin House, 104 Grosvenor Road, London SW1V 3LH.)

1. Recommendations

- 1.1. That Appendix A & B of this report be exempt from disclosure as they involve the disclosure of information as prescribed by paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972, (as amended), in that they contain information relating to the financial or business affairs of any person (including the authority).
- 1.2. That the Cabinet Member for Finance and Council Reform in consultation with the Cabinet Member for Climate Action Regeneration and Renters and the Cabinet Member for Housing Services.
 - Approves the Balmoral Castle and Darwin House Full Business Case.
 - Approves the Contract award appointing Wates to undertake the main construction works.
 - Approves expenditure of £37.137m to take the scheme to practical completion.
- 1.3. That the Cabinet Member for Climate Action Regeneration and Renters in consultation with the Cabinet Member for Finance and Council Reform.
 - Delegates authority to the Executive Director of Growth Planning and Housing to approve and enter into any other agreements and any property documents including but not limited to warranties, substation leases, wayleaves, licences, deeds of easements, statutory agreements, and utilities agreements in connection with ancillary works required to facilitate the construction works.

2. Reasons for Decision

- 2.1. Following a review of the existing Darwin House accommodation and garages, council officers began reviewing the unique opportunity to improve the living accommodation for the existing Darwin House residents by

offering modern size Community Supportive Housing (CSH) units whilst also providing much needed affordable housing in the city of Westminster.

2.2. As part of the scheme, the Council is committed to ensuring that Darwin House residents would only be required to move once, therefore the project will be phased to ensure that the first phase of the project will build the new CSH block. This will ensure that Darwin House can remain in operation until the new replacement CSH building is complete. As well as this, the Council has committed that for any development on the site:

- There will be a full replacement of all council homes.
- The Council will provide the maximum possible affordable housing.
- The Council will support all residents through any moving process.
- Works will be phased to minimise disruption to residents.
- All new homes will be covered by a local lettings plan, meaning local people will benefit from the new homes.
- Residents will be at the heart of the development and design of the project.

2.3. The proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social, or environmental well-being of the area.

2.4. The Full Business Case represents the final business case stage in the project and reconfirms that project remains the most suitable option for the Council to deliver.

2.5. The Full Business Case has shown that there is still a strong strategic, economic, commercial, financial and management case for the project to progress to the delivery phase.

2.6. Wates have now completed the detailed design and a rigorous open book tendering exercise has been undertaken and overseen by the Council's appointed Cost Consultant (Arcadis). Wates submitted their final price to deliver the scheme in January 2023. This was agreed in February 2023. The proposed contract value is higher than originally anticipated due to global inflationary pressures and the overall budget envelope has been extended as a result. Arcadis have confirmed that the Contract Sum for the main works represents reasonable value for money.

2.7. The Contract Award Report (Gate 3) has been presented to the procurement Commercial Gateway Review Board (CGRB) and endorsement has been obtained.

2.8. Finance Capital Review Group (CRG) approval has been obtained for the project endorsing the recommendation to the Executive Director of Growth, Planning and Housing to recommend to the Cabinet Member to award the JCT Design & Build Contract to Wates for the Works.

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