

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE EXECUTIVE - 27 MARCH 2019

SUBMITTED TO THE COUNCIL MEETING – 16 JULY 2019

(To be read in conjunction with the Agenda for the Meeting)

**Present**

Cllr Julia Potts (Chairman)	Cllr Jim Edwards
Cllr Ged Hall (Vice Chairman)	Cllr Jenny Else
Cllr Andrew Bolton	Cllr Carole King
Cllr Kevin Deanus	Cllr Chris Storey

EXE 93/18 APOLOGIES FOR ABSENCE (Agenda item 1)

There were no apologies for absence.

EXE 94/18 DECLARATIONS OF INTERESTS (Agenda item 2)

There were no declarations of interest raised under this heading.

**PART I - RECOMMENDATIONS TO THE COUNCIL**

There were none.

**PART II - MATTERS OF REPORT**

EXE 95/18 CONTRACTUAL DISPUTE RESOLUTION AND REQUEST FOR BUDGET VIREMENT (Agenda item 3)

95.1 The Executive received a report outlining the contractual dispute that had arisen relating to the construction of the Memorial Hall, Babbs Mead, West Street, Farnham following practical completion of the building. The report advised Members on the options that resulted from the adjudication process and recommended a course of action to resolve this matter, with a virement decision as a financial solution.

95.2 On 12 October 2016, the Council, entered into a JCT Standard Building Contract with Armfield Construction Limited (ACL). The work was administered, from a project view point by an external Contract Administrator, Lytle Associates. A Quantity Surveyors service was bought in from Michael Edwards Consultants Limited (MEA). The works were commenced on 5 September 2016. There were significant delays throughout the project and the works were certified for Practical Completion on 29 August 2018, nearly a year late. There was now a disagreement between the Council and ACL as to where the responsibility for that delay lay. The report detailed the reasons behind the delays and the extension of times.

95.3 The report detailed the two options available to the Council as follows:

- Allow the Adjudication to continue
- Negotiate a “without prejudice” settlement with ACL

95.4 And, the report outlined the pros and cons of both with the preferred option being the agreement of a negotiated settlement which offered the best possible and most proportionate course of action in this situation.

95.5 Following the presentation of the report from Councillor Ged Hall, Councillor Jenny Else as the other responsible portfolio holder, agreed that she fully endorsed the recommendations in the report. Accordingly

The Executive RESOLVED:

1. To authorise officers to finalise and settle the negotiated settlement with Armfield Construction Ltd on the broad terms set out in the report, with the agreement of the detailed legal documents delegated to the Section 151 Officer and Portfolio Holder for Finance in consultation with the Borough Solicitor; and
2. in accordance with Waverley’s approved scheme of virement, to vire £375,000 of capital budget from the Frensham project to the Memorial Hall capital scheme budget to meet the unbudgeted contractor cost resulting from this settlement.

*[Reason: To consider options that resulted from the Adjudication process and agree a course of action to resolve the matter in relation to the Memorial Hall contractual dispute, with a virement decision as a financial solution].*

**(The meeting commenced at 12.00 pm and concluded at 12.05 pm)**

**Chairman**