

Decision under Delegated Powers

Officer Requesting Decision

Regeneration and Economic Development Officer

Officer Making the Decision

Head of Planning & Growth

Recommendation

That a Deed of Novation be sealed and signed to enable the transfer of the contract signed by the Council and Wood Group UK Limited (Original Party) on 17 February 2020 for the Shepshed Public Realm Project, to WSP Environment and Infrastructure Solutions UK Limited (First New Party) and then to WSP UK Limited (Second New Party) following a number of corporate restructuring events.

Reason

The Deed of Novation is required to enable the transfer of all obligations and liabilities under the contract signed by Wood Group UK Limited on 17 February 2020 for the Shepshed Public Realm Project, firstly to WSP Environment and Infrastructure Solutions UK Limited (First New Party) and then subsequently to WSP UK Limited (Second New Party) to enable WSP UK Limited to continue to provide technical design support to the Shepshed Public Realm Project. The Deed of Novation has to be signed by the Council and all other relevant parties.

Authority for Decision

Cabinet Minute 82(3) 2022/23, refers that authority be delegated to the Head of Planning and Growth to enter into procurement and any contracts and legal obligations necessary to deliver Phases One and Two of the Shepshed Public Realm Scheme.

Decision and Date



15 August 2024

Background

From a Public Procurement perspective, it is acceptable to transfer a Contract over when a new organisation takes over the role of a contracting party as part of a bona fide corporate restructuring. In this case, due to the way in which the transaction has been structured, it means that there are two novations necessary to put the Contract with the right bodies.

A contract for Wood Group UK Limited (Original Party) to provide technical design support to the Council for the Shepshed Public Realm Project, was signed on 17 February 2020. On 21 September 2022, WSP Global Inc acquired John Wood Group Plc's global Environment & Infrastructure business which included a number of contracts, including this one, which are currently in the name of the Original Party. WSP created a company called WSP Environment and Infrastructure Solutions UK Limited (First New Party), who assumed responsibility for delivering technical design support to the Shepshed project. With effect from 1 May 2024, WSP UK Limited (Second New Party) wishes to transfer the contract and all obligations and liabilities under the contract from the First New Party to the Second New Party.

Legal advice was sought from Freeths on the content of the novation agreement. Their response was that this was a fairly standard and acceptable form of Deed in a situation such as this.

Comments from HR

N/A

Financial Implications

There is already provision in the current Capital Plan for the scheme and therefore there are no further financial implications.

Risk Management

There are no significant risks arising from this decision.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
That the Council does not comply with the agreement concerning the Shepshed Town Centre Public Realm Study, dated 17 February 2020.	Unlikely (2)	Significant (2)	Low (4)	Routine contract monitoring.

Key Decision

No

Background Papers

Draft Deed of Novation relating to the Shepshed Town Centre Public Realm Study (06/08/2024)