

**MINUTES OF MEETING Cabinet Member Signing HELD ON Thursday, 7th December, 2023, 2pm-2.30pm**

**PRESENT:**

**Councillors:** Lucia das Neves, Cabinet Member for Health, Social Care and Wellbeing

**ALSO ATTENDING:** David Lee, Senior Project Manager and Boshra Begum, Senior Democratic Services Officer.

**1. FILMING AT MEETINGS**

The Chair referred to the notice of filming at meetings and this information was noted.

**2. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**3. URGENT BUSINESS**

There were no new items of urgent business.

**21. FILMING AT MEETINGS**

The Chair referred to the notice of filming at meetings and this information was noted.

**22. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**23. URGENT BUSINESS**

There were no new items of urgent business.

**24. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**25. DEPUTATIONS/PETITIONS/QUESTIONS**

There were no deputations/petitions/questions.

**26. CANNING CRESCENT**

It was acknowledged that there were significant delays in the work being completed by the original contractor Cosmur Construction (London). The Cabinet Member for

Health, Social Care and Wellbeing also noted that there were external pressures such as the Government budget and legal challenges that affected the process and timeline in the case of Canning Crescent.

The Cabinet member for Health, Social Care and Wellbeing was assured that appropriate financial assessments and due diligence had taken place in relation to Diamond Build Group PLC to undertake the refurbishment works at Canning Crescent. It was also noted that Diamond Build Group PLC had previously completed successful projects with Haringey Council.

It was noted that there had been changes to the timeframe previously and completion of the remaining works on Canning Crescent is projected to be Autumn 2024.

**The Cabinet Member for Health, Social Care and Wellbeing RESOLVED:**

1. For the Cabinet Member for health, social care, and wellbeing to Waive CSO 9.01.1 (requirement to publish an appropriate tender advertisement) and approve the award of contract to Diamond Build Group PLC to undertake the refurbishment works at Canning Crescent (2c), based on their tender price of £1,690,324.97.
2. Approve a client contingency as set out in Part B of this report which will be strictly managed under change control governance arrangements. This is in addition to the award value noted in 3.1.1 Refer to Part B section 3 for the contingency value and total award value.
3. To vire £1.528m from approved General Fund capital programme contingency.
4. To note Phase 2a and 2b previously awarded to Diamond Build Plc under delegated powers.
5. To note a total award for phase 2a, 2b and 2c up to the aggregated value of £1,756,468 excluding phase 2c contingency.
6. Approve the issuance of a Letter of Intent up to the value of £100,000.

**Reasons for decision**

There were significant delays in the work being completed by the original contractor Cosmur Construction (London) Ltd with a contract completion date of 18th March 2022 and the last projected completion date of 27th January 2023. These delays we suspect were attributed to issues with their supply chain payment and poor management which in part was explained by the company entering a Compulsory Voluntary Arrangement on 11th May 2023.

Following a review by Major Projects, Haringey Procurement and Legal it was decided the best course of action was to terminate the contract with Cosmur Construction (London) Ltd which was completed on the 31st of March 2023 and for expediency to directly award a contract to a supplier with a track record of delivering similar projects using the Haringey Procurement Contract System (HPCS).

With a refurbishment scheme of this nature that had extensive mechanical and electrical (M&E) alterations there is a level of complexity relating to a replacement contractor taking liability for the installation of works by the original contractor. In recognition of this Major Projects instigated a process of validation (by the incoming provider) to assist in establishing the full extent of works required. This involved intrusive investigation (which was led by the design team) that included removing previously installed ceilings and panelling and testing the M&E and other building fabric work to influence the scope of works required. This has assisted the design team in the accuracy of the required scope and has ensured the contractor has a full understanding of the liability in undertaking the refurbishment. These investigations identified significant shortcomings in the workmanship and certification of the mechanical and electrical installations, fire stopping and fire doors and other elements of the project. This has resulted in many of these items having to be renewed as part of the refurbishment.

The tender by Cosmur Construction London Ltd was submitted in February 2021 and since this time inflation has significantly increased the cost to undertake refurbishment work of this nature.

As part of the tender clarification with the incoming contractor there has been extensive engagement to ensure value for money that has involved a reduction in the proposed programme, clarifications to reduce provisional sums and agreement of the treatment of warranties and the like. The financial impact of this is detailed in section 6.3 of the Part B of this report. Due to the complexities of this contract, it is anticipated that if this project was tendered to the open market this level of clarification would have to be undertaken with each of the tendering contractors leading to an extended tender period.

We are seeking legal recourse for the cost of this work from the original contractor Cosmur and reviewing any design liability presently.

Considering the above Diamond Build Plc have the requisite expertise, knowledge, and resources available to complete the works. Diamond Build understand the Council requirements for completing the refurbishment at Canning Crescent and have been extensively involved in the project since March 2023. They have also been appointed to deliver the following enabling works under Director level Delegated Authority:

- Phase 2a - Contract award of £10,000 to inspect the site for Health and Safety purposes and to take over the hire of the scaffolding.
- Phase 2b - Contract award of £56,143.50 to open existing infrastructure, undertake inspections, surveys and validate works to fully inform the scope of the outstanding and or defective works.

The specifications have been updated to include the works needed to reduce the risk of the building not meeting relevant health and safety standards and regulations on completion. The scope of works involve the completion of:

- Architectural installations – Panelling, fixed furniture, fire doors, kitchen installation etc.

- Mechanical & electrical installations – Lighting, fire alarm, small power, lift, heating, and security systems etc.
- Landscaping Works
- External building envelope improvements

There is an urgent need for the facility to be operational to support Haringey residents living with mental health conditions that affect daily life. The completed works will also allow the Clarendon Road Recovery College to be relocated to the Canning Crescent site, allowing Clarendon Road to be adapted for homelessness accommodation.

### **Alternative options considered.**

Do nothing – the refurbishment works at Canning Crescent remain incomplete. A decision not to support this award of construction contract will result in the Council's failure to meet the original project objective which is to create a new Adult Mental Health facility with respite units, recovery college and cafe for use by Barnet, Enfield, and Haringey (BEH) Mental Health NHS Trust.

A competitive tender via the Dynamic Purchasing System (DPS) or LCP Major Works Framework was discounted as it was felt a direct award would be most efficient due to the urgent need to replace the previous contractor. An independent quantity surveyor and contract administrator is appointed to evaluate all costs to ensure value for money for Diamond Build Plc to complete the works.

In-house – There is currently no resource within the Council that has the capacity, specialist expertise or qualifications to deliver this service.

## **27. NEW ITEMS OF URGENT BUSINESS**

There were no new items of urgent business.

## **28. EXCLUSION OF THE PRESS AND PUBLIC**

Item 9 was subject to a motion to exclude the press and public be from the meeting as it contained exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); para 3, namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **29. EXEMPT - CANNING CRESCENT**

The Cabinet Member considered the exempt information.

**30. NEW ITEMS OF EXEMPT URGENT BUSINESS**

There were no new items of exempt urgent business.

CHAIR:

Signed by Chair .....

Date .....