

Title: Variation of contract to Kind Diamond Build Consortium on the Linden House Project

Report authorised by: Charlotte Pomery, Assistant Director for Commissioning

Lead Officer: Chris Strong, Project Manager, Major Projects Team
chris.strong@haringey.gov.uk, Tel: 07971046368

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1 This reports seeks agreement to vary an award of contract to Kind Diamond Build Consortium as allowed under contract standing order CSO 10.02.1.b), which permits authorisation by the Cabinet of an extension or variation to a contract where the value is £500,000 or more.

2. Cabinet Member Introduction

- 2.1 I am pleased to present this report to Cabinet as it marks the final stage in work to complete a refurbishment of Linden House which now offers high quality, flexible and bespoke accommodation to four local residents.
- 2.2 I am proud of the work we are doing to enable people with a range of complex needs to live in the borough as a welcome part of their local community and in accommodation which has been developed to meet their requirements.

3. Recommendations

- 3.1 For Cabinet to approve a variation of contract to Kind Diamond Build Consortium to increase their contract value to £1,098,872.

4. Reasons for Decision

- 4.1 During the course of construction there have been instructions issued by the Contract Administrator to address issues discovered on site, consequently the construction value has increased from that of tender award. All instructions have been approved under strict change control procedures.
- 4.2 The key instructions involve structural works to the roof, removal of the chimney stack, rebuilding the bay at the front of the property, provision of structural uPVC windows in lieu of timber windows and the supply of alternative fire doors.

5. Alternative Options Considered

- 5.1 The option of doing nothing would mean that future invoices received for work already carried out would not be able to be paid.
- 5.2 Initiating a new procurement activity to undertake the varied works would not have been cost efficient for the Council having a well-established contractor on site and would have severely impacted on the completion of this project which was considered a particular priority project during the current Covid-19 pandemic.
- 5.3 Furthermore, to have seen two contractors on site would have created risks around co-ordination and safety and likely have invalidated certain warranties.

6. Background information

- 6.1 Linden House used to be an 8 bedded residential care home and has now been refurbished and converted into supported living accommodation consisting of 4 self-contained flat units.
- 6.2 Kind Diamond Build Consortium Ltd were appointed as the contractor for the Linden Road project through competitive tender process.
- 6.3 Their appointment was approved by Cabinet in July 2019.
- 6.4 The project started on site on 14th October 2019 with a completion date of 28th April 2020. However, during the strip out phase of the project several structural issues related to the roof and the chimney stack structure within the building were uncovered along with some previously unknown asbestos leading the Contract Administrator to award an extension of time. This extension of time and all variations to date have been approved under change control procedures.
- 6.5 The project continued through the current Covid pandemic and was identified an 'essential project' because the assisted living accommodation would provide for adults with autism on completion.
- 6.6 Further structural issues were identified when it was discovered that the windows on the front elevation of the building were in fact structural elements, as there were no lintels to their openings. It was also found that the bay frontage was not tied back to the main building. Rectification of these two issues resulted in a further extension of time being granted.
- 6.7 The Covid crisis affected many suppliers and the biggest impact on the project was the supply of fire doors. The original manufacturer was already quoting a substantial delivery lead-in before they closed their factory. To minimise delay an alternative supplier was sought by the contractor and design team as there was no timescale being indicated by the original supplier as to when they might re-open and what the delivery timescale might be once production started again. An alternative supplier was found that could meet the requirements of the specification. This resulted in a third extension of time taking revised completion to the 23rd July 2020.
- 6.8 The original cash limit budget included a construction contingency. Approved variations, extensions of time and associated fees indicated a projected revised total project cost.

An exception report was presented to Capital Board on 23rd June 2020 requesting that reported revised projected cost be agreed as the revised cash limit budget. This request was approved at the meeting.

7. Contribution to strategic outcomes

- 7.1 This project proposal helps to support the Priority 2 outcomes as outlined in the Borough Plan 2019 – 2023.

8. Statutory Officers comments (Chief Finance Officer, Procurement, Assistant Director of Corporate Governance, Equalities).

8.1 Finance

- 8.1.1 This report seeks the variation of contract to Kind Diamond Build Consortium.
- 8.1.2 The revised contract value can be contained within the existing cash limit for the project.

8.2 Procurement

- 8.2.1 Strategic Procurement agree to this variation subject to Cabinet approval in compliance with CSO 10.1.2b.

8.3 Legal

- 8.3.1 The Assistant Director of Corporate Governance has been consulted in the preparation of the report.
- 8.3.2 The Assistant Director of Corporate Governance sees no legal reasons preventing Cabinet from approving the recommendations in the report.

8.4 Equality

- 8.4.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 8.4.2 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 8.4.3 The proposed decision is to approve a variation of the contract to Kind Diamond Build Consortium to increase their contract value to £1,098,871, to continue the building changes to Linden House, which will convert the property into 4 self-contained supported living accommodation for adults with autism.

- 8.4.4 Those in receipt of the service include individuals with protected characteristics, notably all service users have disabilities or behavioural challenges that impact on their abilities to live independently in their own homes. This decision will affect all residents who share the protected characteristics of age and disability in Haringey, among whom, men and Black and Asian minority ethnic people, are overrepresented.
- 8.4.5 The objective of the proposed decision is to provide four residents, all of whom have a learning disability and autism which is a protected characteristic, the opportunity to live independently in their own homes and assist them to achieve their goals in independent living, and provide real supported living options. The decision will enable the delivery of a service to users with learning disabilities, autism, and behavioural challenges, a group who would otherwise not be able to live in the community in Haringey.
- 8.4.6 An equality impact assessment (EqIA) was carried out in 2019 to help inform decision-makers over the potential impact of converting Linden House into assisted living. The EqIA highlighted the potential for a disproportionate impact based on gender, ethnicity, and age, as likely to favour Black and mixed, young men. The service is targeted at working-age adults who will most benefit from the supported living model, as residents in Haringey aged 26-40 have the highest prevalence of severe and/or moderate learning disabilities including autism. While no females are being allocated to the Linden House units, this is a reflection of there being more males than females in the Transforming Care cohort, and the process of allocation was done through a comprehensive needs assessment, which ensures that selection is fair and equal. Similarly, as Black and Asian autistic residents, are less likely to receive appropriate support, this disproportionate impact on residents in a protected characteristic group, is outweighed by the need to provide these groups with the opportunity to live independently with appropriate support. The proposed decision, therefore, represents a proportionate means of achieving a legitimate aim. The decision, therefore, helps the Council meet its public sector equality duty.
- 8.4.7 As an organisation carrying out a public function on behalf of a public body, Kind Diamond Build Consortium will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above. Appropriate contract management arrangements will be established to ensure that the delivery of the project does not result in any preventable or disproportionate inequality.
- 8.4.8 A consultation will not be necessary, as the previous consultation ascertained that such accommodation - which allows greater control over one's own life - is the preference for these groups.
- 8.4.9 The Council will take steps to collect demographic data on service users to identify any inequalities in service provision that may arise, and to inform future equalities analysis.

9. Use of Appendices

- 9.1 Appendix A – Part B Exempt Information

10. Local Government (Access to Information) Act 1995