

Report for: Cabinet Member Signing – 17 January 2022

Title: Campsbourne, Seven Sisters, and Stroud Green Primary Schools Building Services and External Envelope Works Phase 1 – Variation of Construction Contract

Report authorised by: Ann Graham, Director of Children’s Services

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Ward(s) affected: Hornsey, St Ann’s, Stroud Green

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

1. Describe the issue under consideration

1.1 On 15 June 2021, Cabinet approved an award to Mulalley & Company Ltd for Phase 1 of the Construction Contract for Campsbourne Primary School in the sum of £985,887.00, Seven Sisters Primary School in the sum of £1,233,949.00 and Stroud Green Primary School in the sum of £1,113,197.80. This report seeks Cabinet Approval to vary the original contracts with Mulalley and Company Ltd for the sum of £99,610 at Campsbourne Primary School, £132,926 at Seven Sisters Primary School and £33,047.63 at Stroud Green Primary School, as allowed under Contract Standing Order (CSO) 10.2.1.b.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

The Cabinet Member for Children, Education and Families is asked:

3.1. Pursuant to Contract Standing Order 16.02, to agree to vary the following construction contract awards:

- (i) The original contract award approved by Cabinet for Campsbourne Primary School was in the sum of £985,887. A variation of the construction contract to Mulalley and Company Limited is requested in the sum of £99,610 giving a total contract sum of £1,085,497.
- (ii) The original contract award approved by Cabinet for Seven Sisters Primary School was in the sum of £1,233,949. A variation of the construction contract to Mulalley and Company Limited is requested in the sum of £132,926 giving a total contract sum of £1,366,875 for Seven Sisters Primary School.

- (iii) The original contract award approved by Cabinet for Stroud Green Primary School was in the sum of £1,113,197.80. A variation of the construction contract to Mulalley and Company Limited is requested in the sum of £33,047.63 giving a total contract sum of £1,146,245.43 for Stroud Green Primary School.

4. Reasons for decision

- 4.1 During construction, additional condition works were identified which included remedial works to address saturated sections of roof decking discovered once the works commenced at Campsbourne and Seven Sisters schools. In addition, heating system works at all 3 schools, additional works to aluminium window reveals at Seven Sisters Primary School and additional loft insulation required at Stroud Green Primary School. The original project budget set at the client brief stage for each of the schools remains in place and is sufficient to cover the contract increases.

5. Alternative Options Considered

- 5.1 Do nothing – a decision not to support the increase in the value of the construction works contract will result in delays in completing urgent condition works and would also leave the schools without a ‘permanent’ heating system.

6. Background Information

- 6.1 London Borough of Haringey are seeking to identify and address building condition and suitability issues across the Education/schools estate.
- 6.2 A major review of the condition and suitability of the Children’s Services estate has been undertaken, which informed the Children’s Service’s asset management plan (CSAMP). This identified condition and suitability deficiencies in the primary, secondary, and wider Children’s Service estate that need addressing in the short, medium, and long-term. Campsbourne, Seven Sisters and Stroud Green Primary Schools were both considered high priority for major works due to issues relating to health and safety or risk of school closure.
- 6.3 These condition projects bring several benefits to the schools and the council, with the primary objective of providing improved educational environments for Children in line with Haringey’s borough plan. Along with improving educational outcomes, this project will significantly reduce the risk of a health and safety incident or school closure through condition failure such as mechanical failure or roof leaks. The projects will also help the schools reduce its energy demands and thus reduce carbon emissions through technologies and insulation including double glazing. This work also benefits the Council in reducing the reactive maintenance requirements at the school in future by economically fixing the root cause of the condition issues within a single project whilst avoiding additional temporary repairs costs.
- 6.4 The Phase 1 of both the Campsbourne, Seven Sisters and Stroud Green works involve works primarily linked to the requirements of the public sector decarbonisation programme, a government initiative sponsored by the Department for Business,

Energy & Industrial Strategy and administered by Salix (Salix works) grant i.e., Improvements in roof and loft insulation, new heating and water services pipework, new boilers, roofing repairs / replacements. At Seven Sisters the works also include new ground floor windows. These works are designed to improve the school environment whilst at the same time reducing the school's running costs and carbon footprint. The projects have been granted an allocation of funding £0.243M at Campsbourne, £0.633m for Seven Sisters and £0.132m for Stroud Green by Salix (Salix works). The grant will be used to part fund the scheme thus reducing the amount of borrowing that the Council will need to undertake. The works are being delivered as part of one of the largest investment programmes for our schools in the challenging environment brought about by Covid.

- 6.5 Once works had commenced at Campsbourne School, certain unexpected items were uncovered that required additional condition works to fully address the roofing and heating system. At Seven Sisters School, the heating, roofing and windows required additional works and at Stroud Green the heating and insulation also required additional works.
- 6.6 The quantity surveyor has verified and confirmed these additional condition work costs are in line with market rates and will not result in the Council paying any additional costs compared with them being included within the tender.
- 6.7 The contract increases are within the budget for the works and therefore there is no additional funding requirements.
- 6.8 The total anticipated final outturn costs of the scheme can be contained within the approved project budget for each school as the original tenders were awarded below the pre-tender estimate.

Description	Campsbourne	Seven Sisters	Stroud Green
Phase 1 Construction Cost (inc contingency)	£1,085,497	£1,366,875	£1,146,245.43
Other Costs	£348,832	£410,600	£659,243
Total Cost	£1,434,329	£1,777,475	£1,805,488.43

7. Contribution to Strategic Outcomes

- 7.1 This project proposal supports outcomes as outlined in the Borough Plan 2019-23, in particular:
 All projects commissioned by Officers of the Council are expected to align with this plan and will be reflected in key capital project documentation such as project briefs, design briefs, business cases, project initiation documents (PID) and award reports. The relevant Borough Outcome for this project is: **People** - our vision is a Haringey where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential.

7.2 Campsbourne, Seven Sisters and Stroud Green Primary Schools fall into wave 1 (priority 1) of the Children's Service's asset management plan (CSAMP) and is therefore procured in accordance with the priorities set out in the Children's Capital Programme.

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

8.1 Finance

8.1.1 The recommendation of the report is to vary the values of 3 contracts for works at Campsbourne, Seven Sisters and Stroud Green primary schools. If agreed the revised contract sums will be as follows:

	Original Award	Variation	Revised Award
	£m	£m	£m
Campsbourne	0.985	0.100	1.085
Seven Sisters	1.234	0.133	1.367
Stroud Green	1.113	0.033	1.146

The revised contract sums can be contained within the project budget.
The above figures are rounded.

8.2 Procurement

8.2.1 All variations are in line with the authorities CSO's and the PCR's. Strategic procurement approves the variations for Campsbourne of £99,610, Seven Sisters of £132,926 and Stroud Green of £33,047.63.

8.3 Legal

8.3.1. The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.

8.3.2 The value of each contract is below the threshold where the rules on modification set out in the Public Contracts Regulations 2015 apply. The variations are therefore governed by Contract Standing Orders.

8.3.3 Contracts valued at over £500,000 would ordinarily be approved by Cabinet. However, in-between meetings of the Cabinet, the Cabinet Member with the relevant portfolio may take any such decision, provided that this has been allocated by the Leader (CSO 16.02).

8.3.4 The contracts for Campsbourne Primary School, Seven Sisters Primary School and Stroud Green Primary School are Key Decisions and, as such, need to comply with the Council's governance arrangements in respect of Key Decisions, including publication in the Forward Plan.

8.3.5 The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Cabinet Member for Children, Education and Families from approving the recommendations in this 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.

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 apply to the first part of the duty.

The proposed decision is to vary contracts to Mulalley and Company Ltd up to the value stated in Section 1.1 of this report. It was identified that the condition and suitability deficiencies at Campsbourne, Seven Sisters and Stroud Green Primary Schools are a high priority for major works due to issues relating to health and safety or school closure risks. It is expected that this decision will lead to improved health and safety of all students and members of staff. No negative consequences are identified for those who share a protected characteristic, and it is concluded that the works will have a wholly positive impact by improving the health and safety of Campsbourne, Seven Sisters and Stroud Green Primary Schools.

As an organisation carrying out a public function on behalf of a public body Mulalley and Company Ltd 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 major works does not result in any preventable or disproportionate inequality.

9. Use of Appendices

9.1. None.

10. Local Government (Access to Information) Act 1985

10.1 Not applicable.