

Report for: Cabinet Member Signing – 4 May 2022

Title: Stroud Green Primary Schools – Building Services and Envelope Improvement Works Phase 2 – Variation of Contract Award

Report authorised by: Director of Children’s Services

Lead Officer: Chris Hill, Major Projects Project Manager, chris.hill@haringey.gov.uk

Ward affected: Stroud Green

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

1. Describe the issue under consideration

1.1 On the 15th September 2021, Cabinet approved an award of a construction contract to Cosmur Construction London Ltd for the Phase 2 of the construction works at Stroud Green Primary School in the sum of £1,498,628.48. This report seeks Cabinet Approval to vary the original contract with Cosmur Construction London Ltd for the sum of £385,000, as allowed under Contract Standing Order (CSO) 10.2.1.b.

2. Cabinet Member Introduction

2.1 N/A

3. Recommendations

The Cabinet Member for Early Years, Children, and Families is asked:

3.1 To approve a variation of the construction contract to Cosmur Construction London Ltd in the sum of £385,000. The original construction contract award approved by Cabinet for Stroud Green Primary School was in the sum of £1,498,628.48. Approval of the variation will give a total contract sum of £1,883,628.48.

4. Reasons for decision

4.1 During construction, and once the scaffold was erected around the main building, it became apparent that the roof tiles were in a far worse condition than originally surveyed and it is far more economical to re-roof the main building than undertake patch repairs. Under guidance of the Haringey Conservation officer (as the building is Grade 2 listed) an independent heritage specialist was procured to survey the roof. The heritage specialist reported the same conclusion that viewing the tiles from afar and even from a few meters away the outer slopes appear sound, but closer inspection and removal of a number of larger sample tiles revealed significant concealed delamination

and damage. The recommendation is to retile the outer slopes with new tiles and reuse as many tiles as possible on the inner slopes.

- 4.2 The original project budget set at the client brief stage for each of the schools remains in place and overall is sufficient to cover the contract variation.

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 with a defective roof with a short life span remaining.

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. Stroud Green Primary Schools was 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 the works at Stroud Green (now complete), involved 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. These works were 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 £0.132m 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 Stroud Green School and the scaffold was erected, it was clear that the roof was in a lot worse condition than previously anticipated, and it is more economical to fully re-roof the main building than increase the number of patch repairs.
- 6.6 The external 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 overall project budget and therefore there is no additional funding requirements, but approval is required to increase the value of the construction contract.
- 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 pretender estimate.

Description	Stroud Green Primary School
Phase 2 Construction Cost (inc. contingency)	£1,648,491.33
Variation (uplift in contingency)	£385,000
Other Costs	£623,661.67
Total Cost	£2,657,153

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 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 to vary the existing contract with Cosmur Construction London Ltd by £0.385m can be contained within the existing Children’s Services capital programme.

8.1.2 The outturn for the project (inclusive of fees), Phase 2, is set out in the table below:

	Prior years expenditure	2021/22	2022/23	2023/24	Total
Stroud Green Projected Total	£0.114m	£0.241m	£2.222m	£0.050m	£2.657m

8.2 Procurement

8.2.1 Both variations are in line with the authorities CSO’s and the PCR’s. Strategic procurement approves the variations Stroud Green of £385,000.

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 the contract is below the threshold where the rules on modification set out in the Public Contracts Regulations 2015 apply. The variation is therefore governed by Contract Standing Orders.

8.3.3 CSO 10.02.1 (b) (variations where the value of the contract is over £500,000) allows for Cabinet to approve the variation. In-between meetings of the Cabinet, the Leader may approve the decision or allocate the decision to the Cabinet Member with the relevant portfolio responsibility (CSO 16.02).

8.3.4 The contract for Stroud Green Primary School is a Key Decision 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 with the relevant portfolio responsibility 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.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

The proposed decision is to vary an existing contract award to Cosmur Construction London Limited up to the value stated in Section 1.1. It was identified that the condition and suitability deficiencies at 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 Stroud Green Primary School.

As an organisation carrying out a public function on behalf of a public body Cosmur Construction London 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 N/A

10 Local Government (Access to Information) Act 1995

10.1 List of background documents:

This report contains exempt and non-exempt information. Exempt information is under the following categories (identified in amended Schedule 12A of the Local Government Act 1972): Information relating to financial or business affairs of any particular person (including the statutory holding that information).