

## **Decision Making Report Cover Sheet**

**Report Title: Canning Crescent 176 High Road, Wood Green, N22 8JT  
Refurbishment Works - Award of Construction Works Contract**

**Date of Decision: 7<sup>th</sup> December 2023**

**Report Author: Sukh Lall , Project Manager, Major Project Delivery Team**

Contact No: [sukh.lall@haringey.gov.uk](mailto:sukh.lall@haringey.gov.uk)

Report Title	
<b>*Legal Comments Provided by:</b>	<b>Oliver Higgins</b>
<b>*Financial Comments Provided by:</b>	<b>John O’Keefe</b>
<b>*Equalities Comments Reviewed by:</b>	<b>Vlada Shevelkova</b>
<b>*Procurement Comments Provided by:</b>	<b>Yaw Tawiah</b>
<b>Number of Appendices included</b>	1 Appx B – Part B Exempt report
<b>In the Background</b> - This section of the report includes outlining consultation with partners/stakeholders, service users, residents more generally, business, other public bodies, interest groups, government, staff or statutory consultees. Please indicate if this has happened and who has been consulted. Also include how consideration has been given to the Haringey Deal and to hearing the voices that are too often overlooked	Cabinet Member Signing, minutes 30 <sup>th</sup> March 2021, Canning Crescent, Adaption & Conditions for Mental Health Recovery College – Construction Contract Award
<b>Date considered by Cabinet Member</b> Please note that if your report impacts or relates to two or more Cabinet portfolios, you will need to also arrange a further briefing meeting with the Cabinet members before submission of the report to Informal CAB.	N/A
<b>Dates considered by Officer Internal Boards</b> Submission to Capital & Property Steering Group	16 <sup>th</sup> October 2023
<b>Date considered by Council Leadership Team</b> Politically sensitive strategic key decisions would need to be considered by .] Please contact Ben Hunt on x1164 if you have any queries about which meeting your report	N/A

should be considered at. Meetings table place on a Thursday morning	
<b>Date considered by informal CAB</b>	No
Please consider if a wider briefing on this key decision is required at <b>Labour Group / Liberal Democrat Group meetings</b> ? When?	No
Is the decision compliant with the <b>Council's Budget and Policy Framework as</b> set out in Part Four Section E of the Constitution?	Yes

**Report for:** Report for Cabinet Member Signing, Scheduled for 5<sup>th</sup> December 2023

**Item number:** TBC

**Title:** Canning Crescent 176 High Road, Wood Green, N22 8JT  
Refurbishment Works - Award of Construction Works Contract

**Report authorised by :** Vicky Murphy, Service Director Adult Health and Communities

**Lead Officer:** Sukh Lall, Project Manager, Major Projects,  
Email [sukh.lall@haringey.gov.uk](mailto:sukh.lall@haringey.gov.uk)  
Contact No. 07482 216719

**Ward(s) affected:** All

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

## **1. Describe the issue under consideration**

- 1.1. To request Cabinet Member approval to waive Contract Standing Order (CSO) 9.01.1 as allowed under CSO 16.02 and 10.01.1(a) on the grounds set out in CSO 10.01.2 (d) (ii), and as allowed under CSO 16.02 and 9.07.01(d) to award a contract to Diamond Build PLC to undertake refurbishment works at Canning Crescent.
- 1.2. To approve the issuance of a letter of intent.
- 1.3. To request approval to increase the project budget from £4.259m to £5.86m.

## **2. Cabinet Member Introduction**

- 2.1 Not applicable

## **3. Recommendations**

- 3.1 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.
- 3.2 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.

- 3.3 To vire £1.528m from approved General Fund capital programme contingency.
- 3.4 To note Phase 2a and 2b previously awarded to Diamond Build Plc under delegated powers.
- 3.5 To note a total award for phase 2a, 2b and 2c up to the aggregated value of £1,756,468 excluding phase 2c contingency.
- 3.6 Approve the issuance of a Letter of Intent up to the value of £100,000.

#### **4. Reasons for decision**

- 4.1 There were significant delays in the work being completed by the original contractor Cosmur Construction (London) Ltd with a contract completion date of 18<sup>th</sup> March 2022 and the last projected completion date of 27<sup>th</sup> 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 11<sup>th</sup> May 2023.
- 4.2 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 31<sup>st</sup> 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).
- 4.3 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.
- 4.4 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.
- 4.5 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.

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

4.7 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:

4.2.1. 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.

4.2.2. 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.

4.8 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

4.9 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.

## **5. Alternative options considered.**

5.1 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.

- 5.2 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.
- 5.3 In-house – There is currently no resource within the Council that has the capacity, specialist expertise or qualifications to deliver this service.

## **6. Background information**

- 6.1 The Canning Crescent Centre is a former mental health centre in Wood Green. The Council purchased the freehold with vacant possession in February 2019, from Barnet, Enfield and Haringey Mental Health Trust (BEHMHT), following a Cabinet decision in October 2018. The planned refurbishment of the building will enable a set of services to support local residents living with mental health conditions that affect daily life. The works will also allow the Recovery College to be relocated to the Canning Crescent site.
- 6.2 Due to the urgent nature of the project and termination of its previous contractor, it was essential to mobilise a contractor in April 2023 to facilitate completion of the original scheme.
- 6.3 To achieve this the work was divided into 3 packages. Phase 1 was to take initial possession of the site and Phase 2 was commissioned to complete an assessment of the outstanding works. The outcome of this assessment has informed Phase 3, which is the remaining works to be undertaken. Further details are noted in Part B section 6 of this report.
- 6.4 Diamond Build Plc were instructed to complete a scope of validation works (Phase 2) in July 2023 to open up areas and test services to confirm works completed to date.
- 6.5 All works have been specified and measured by independent design and cost consultants to ensure the price returned by Diamond Build Plc can be adequately assessed to ensure value for money for the Council.
- 6.6 The quantity surveyor for this project has undertaken a thorough and detailed review of the tender and a summary of the tender report is included in Part B.
- 6.7 The defects liability period (rectification period) is 12 months.
- 6.8 The contract is to be awarded on a fixed price basis.
- 6.9 The procurement route is based on a traditional (full design) form of contract – JCT Standard Building Contract without Quantities 2016.
- 6.10 Completion of the remaining works is projected to be August 2024.

## **7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes'?**

- 7.1 The client original project brief outlined that the project aims to contribute to Council's Corporate Delivery Plan 2019-23. In particular, Outcome 7 under Priority 2 (People): All adults are able to live healthy and fulfilling lives, with dignity, staying active and connected in their communities. Specifically:
- People will be supported to live independently at home for longer,
  - Adults will feel physically and mentally healthy and well and
  - Adults with multiple and complex needs will be supported to achieve improved outcomes through a coordinated partnership approach.
- 7.2 It's acknowledged the borough plan has been superseded by the Corporate Plan 2022/23 – 2023/24. The client team are presently realigning the previous objectives of the Borough Plan with this.
- 7.3 This proposal will enable the Council to assist the Wood Green Regeneration generally and to support the Council's strategic priorities. (as detailed in section 4.2).

## **8. Carbon and Climate Change**

- 8.1 This project will support the Borough's carbon reduction and climate change ambition by delivering approx. 20.99 tCO<sub>2</sub>pa carbon reduction through the installation of energy efficient measures such as double glazing. This work also benefits the Council in reducing the reactive maintenance requirements at the facility in future by economically fixing the root cause of the condition issues within a single project whilst avoiding additional temporary repairs costs.

## **9. Statutory Officers comments (Director of Finance ( procurement), Head of Legal and Governance, Equalities)**

### **9.1 Finance**

9.1.1. The recommendations of the report are to award a contract to Diamond Build Group PLC to undertake the refurbishment works at Canning Crescent (2c), based on their tender price of £1.690m, plus a contingency as outlined in the Part B report.

9.1.2. In addition, the report is recommending that a virement of £1.528m from the approved General Fund capital programme contingency is made. The contingency has an uncommitted budget of £2.774m. If the recommendation of the report is accepted, the contingency budget will reduce to £1.246m.

9.1.3. Further comments are contained in the part B report.

### **9.2 Procurement**

- 9.2.1 Strategic Procurement (SP) note that this report relates to the approval of an award to Diamond Build PLC to undertake refurbishment works at Canning Crescent.
- 9.2.2 This contract was awarded to Cosmur initially however after detecting the company was under the financial distress the Authority terminated the contract.
- 9.2.3 SP recognises the importance of this work and understands the health and safety implications that could arise from any significant delays.
- 9.2.4 SP support the approval to award a contract to Diamond Build PLC to undertake refurbishment works at Canning Crescent as allowed under CSO 10.01.01(a) 9.07.01 (d), and 10.01.2 (d) (ii).

### **9.3 Legal**

- 9.3.1 The Head of Legal and Governance (Monitoring Officer) has been consulted in drafting the report.
- 9.3.2 Due to its value the contract which this report relates to is outside the scope of the Public Contracts Regulations 2015.
- 9.3.3 Pursuant to Contract Standing Order 16.02 a Cabinet Member with the relevant portfolio responsibilities has authority to approve the recommendations in the report.
- 9.3.4 The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing the Cabinet Member of health, social care, and wellbeing from approving the recommendations in the report.

### **9.4 Equality**

- 9.4.1. The Council has a Public Sector Equality Duty (PSED) under the Equalities Act (2010) to have due regard 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.
- 9.4.2. The three parts of the duty apply 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.

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

9.4.4. The proposed decision is to request approval to award a contract to Diamond Build up to the value stated in Section 3.3 and Part B of this report, that will allow for works to take place which will expedite the delivery of a facility that supports residents with mental health conditions.

9.4.5. 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 the local community, including those living with mental health conditions

9.4.6. The following measures have ensured that the works comply with the Council's equalities duties:

- A key objective of the proposed works is to improve the accessibility and amenity of the existing site for staff and service users, including those from the protected characteristic groups. The Council has gone through a traditional design process and has therefore maintained control over the design of the works to ensure that they meet our high accessibility requirements, including DDA compliance under part M of building regulations;
- No reduction in service provision, either during the works or once they are completed;
- Services will be improved through better buildings and IT, making services more accessible and effective;
- Improved access arrangements - lifts will be repaired to give better access to the first floor, and all development will be in line with current DDA requirements;
- New heating will also be installed, making the environment more comfortable for all;
- CCTV and additional security will be of benefit to all in creating a safer environment.

9.4.7. As an organisation carrying out a public function on behalf of a public body Diamond Build 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.

## **10. Use of Appendices**

10.1. Appendix A – Part B

## **11. Background papers**

11.1. 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).