

MINUTES OF MEETING Cabinet Member Signing HELD ON Thursday, 6th June, 2024, 12.30 - 1pm

PRESENT:

Councillors: Lucia Das Neves – Cabinet Member for Health, Social Care and Wellbeing

ALSO ATTENDING: David Lee, Claire Barnes, Ayshe Simsek

8. FILMING AT MEETINGS

The Cabinet Member referred to the filming at meetings notice and the attendees noted this information.

9. APOLOGIES FOR ABSENCE

There were no apologies for absence.

10. URGENT BUSINESS

There were no items of urgent business.

11. DECLARATIONS OF INTEREST

There were no declarations of interest.

12. DEPUTATIONS/PETITIONS/QUESTIONS

There were deputations, petitions or questions.

13. CANNING CRESCENT

The Cabinet Member for Health, Social Care and Wellbeing considered the attached key decision report which requested approval to award a contract to Kind Diamond Consortium (KDC) to undertake refurbishment works at Canning Crescent Health Centre. The report also sought approval of the issuance of a letter of intent and to increase the project budget from £4,259,000 to £5,918,805.

In considering this decision, and noting the previous significant delays with this project, the Cabinet Member sought clarification on the increased cost and assurance that this construction cost and proposed provider had been robustly explored and met Council value for money principles.

In response it was noted that the cost received from Kind Diamond Consortium (KDC) was above the tender return but there was a need to account for the inflationary up build from the previous calculated cost. Assurance was further provided that this tender submission was based on the BCIS(The Building Cost Information Service)calculations and this percentage increase was still less than the RICS(rate).

The Council had also commissioned an independent Quantity Surveyor that had completed a thorough review of the tender submission and found that the tender return provided value for money for the Council.

With regards to the financial stability of Kind Diamond Consortium (KDC), the Head of Procurement had completed a full financial analysis and financial study of the company and had reported no concerns. Kind Diamond Consortium (KDC) were also part of the Major Works framework of contractors appointed by the Council since 2019.

The Cabinet Member recognised the pressure in the construction industry that had led to delays in this crucial local project to provide an improved Adult Mental Health Service facility. In addition, it was noted that, from a service delivery perspective , there was only a short delay from the expected opening of the Health Centre from late 2024 to now Jan 2025.

Further to considering the exempt information and agreeing the exempt recommendations, The Cabinet Member for Health, Social Care, and Wellbeing ,

RESOLVED

1. That pursuant to contract standing order 7.01(b), 16.02 (urgent decision allocated to Cabinet Member) and 9.07.1d to approve an award of contract to Kind Diamond Consortium to undertake the refurbishment works at Canning Crescent (2c) based on their tender price of £1,731,390.
2. To 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. Refer to Part B section 3 for the contingency value and total award value.
3. To approve the issuance of a Letter of Intent up to the value of £173,139 pursuant to CSP 9.07.3.

Reasons for decision

There were significant delays in the work (Phase 1) being completed by the original contractor Cosmur Construction (London) Ltd (Cosmur) with a contract completion date of 18th March 2022 the project was 12 months in delay at the time of their withdrawal from site and subsequently entering a Compulsory Voluntary Arrangement (CVA) on 11th May 2023.

Following a review by Major Projects, Haringey Procurement and Legal it was decided for expediency to directly award a contract (Phase 2a, 2b & 2c) to Diamond Build Plc, a supplier with a proven track record of delivering similar projects. An award of contract was supported by Cabinet Member on 7th December 2023, however prior to a letter of intent being issued, the Council received notification on the 8th of January 2024 that they had placed themselves into Voluntary Liquidation. The Gazette, the official public record, publicised this on the 25th of January 2024.

Upon the liquidation of the previous contractor the Major Projects Team, in consultation with Strategic Procurement and Legal explored procurement options to deliver these works. This included comparing the benefits and risks of tendering via the LCP Major Works Framework or Haringey's Dynamic Purchasing System (DPS), and a direct appointment. This exercise concluded with a preference to undertake a direct award to Kind Diamond Consortium (KDC) from the LCP Major Works Framework.

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.

Following a full analysis it was considered that a competitive tender via the Dynamic Purchasing System (DPS) or LCP Major Works Framework would not necessarily lead to a lower cost, create risks, and would significantly lengthen the project programme. This route was therefore discounted as it was felt a direct award would represent best value and 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 Kind Diamond Consortium 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.

14. NEW ITEMS OF URGENT BUSINESS

None

15. EXCLUSION OF THE PRESS AND PUBLIC

There was a motion to exclude the press and public from the meeting as the following items 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); paras 3 and 5, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

16. EXEMPT - CANNING CRESCENT

The Cabinet Member for Health Social Care and Wellbeing considered the exempt information and approved the exempt recommendations.

17. NEW ITEMS OF EXEMPT URGENT BUSINESS

None

CHAIR:

Signed by Chair

Date