

## **DECISION REPORT**

<b>Report for:</b>	Robbie Erbmman, Delivery Director, Capital Projects and Property
<b>Item number:</b>	N/A
<b>Title:</b>	Request to approve a contract variation under 10.02.1 (a) as allowed under CSO 10.02.2 (d) (ii) for extended Clerk of work services provided by Martin Arnold Ltd at Kerswell Close
<b>Report authorised by:</b>	Jack Goulde, Head of Development.
<b>Lead Officer:</b>	Kinta Marna, Housing Development Project Manager.
<b>Ward(s) affected:</b>	Saint-Ann's
<b>Report for Key/Non-Key Decision:</b>	Non-Key Decision

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

- 1.1 This report seeks approval for a contract variation for additional Clerk of work fees to the value of £46,816 for the previously agreed fee of £36,960 as supplied by Martin Arnold Ltd (MA) for the Kerswell Close housing project in line with the extended construction period from July 2025 to January 2027 brought about by delays to the construction programme.

### **2. Recommendations**

- 2.1 It is recommended that the Delivery Director approves a variation of the contract with Martin Arnold Ltd to increase the value by £46,816 (inclusive of all expenses and disbursements) to complete the Clerk of work services role at the above site under Contract Standing Order 10.02.1(a). The revised overall cumulative value of the contract is therefore, £83,776 plus VAT.

### **3. Reasons for decision**

- 3.1 The original tender for Clerk of work services took place in January 2024, covering a period up to project completion in July 2025. There have been significant delays to the construction programme due to the contractor changing the construction methodology for the buildings' foundations leading to an extended construction programme. This has resulted in additional fees to completion of the scheme.
- 3.2 The additional fees are necessary to conclude the scheme.

### **4. Alternative options considered.**

- 4.1 The Council could re-tender these services for the remainder of the project, however this option was rejected because it would likely result in higher fees through the re-tendered route and would put at risk regular monitoring of the project on the Council's behalf as the construction resumes on site. It is a crucial time for the project, in that any further delays could give rise in a loss and expense claim by the main contractor.
- 4.2 Furthermore, Martin Arnold Ltd hold vital knowledge and background to the scheme and its earlier issues and are monitoring the contractor's progress and construction compliance on site.

## 5. Background

- 5.1. The original tender for Clerk of work services took place in January 2024. Three tender responses were received. Responses were evaluated on a 60/40 quality, cost basis and Martin Arnold Ltd scored higher than the competing tender, and their cost proposal was in line with the estimated costs generated through pre-tender market testing.
- 5.2. Martin Arnold Ltd agreed to provide Clerk of work services at Kerswell Close £36,960 + VAT in January 2024.
- 5.3. Following the stoppage in construction works over a period of 10 months, the works have resumed on site and Martin Arnold Ltd have continued to act as part of the project team as the construction programme moves forward.
- 5.4. A breakdown of the fees proposed are as follows:

Original fees awarded in January 2024	£36,960
Additional fee request to complete the project	£46,816
<b>Total fee up to project completion in January 2027</b>	<b>£83,776</b>

## 6. Contribution to strategic outcomes

- 6.1 The recommendations in this report will support the delivery of the Housing Priority in the new Borough plan, which sets out in its first outcome that “We will work together to deliver the new homes Haringey needs, especially new affordable homes”. Within this outcome, the Borough Plan sets the aim to “Ensure that new developments provide affordable homes with the right mix of tenures to meet the wide range of needs across the borough, prioritising new social rented homes”.
- 6.2 In particular, the recommendations in this report are explicitly about delivering the aim “to deliver 3,000 new council homes at council rents by 2031”. The proposals in this report contribute directly to the strategic outcomes on new housing supply that are at the core of the aims of the Council as expressed in the Borough Plan.

## 7. Statutory Officers comments

### 7.1 Legal

Not required as per s22.2 of Haringey’s Procurement Code of Practice

### 7.2 Equalities

Not required as per s22.2 of Haringey’s Procurement Code of Practice

## 8. Finance comments

Finance has reviewed the proposal to extend the contract with Martin Arnold Ltd for the continued provision of Clerk of work services. The proposed extension amounts

to £46,816, increasing the overall contract value to £83,776.

The existing approved budget, including the associated on-cost contingency, has now been fully utilised. To accommodate the additional expenditure, the service intends to draw-down from the works contingency and action a budget virement to meet the cost.

The service is advised to engage the Housing Finance team to ensure the virement is processed in accordance with the Council's financial procedures.

Finance confirms that the additional cost will not affect the overall scheme cost already reflected within the HRA Business Plan, and the expenditure can be contained within the HRA.

**9. SSP comments**

n/a

**10. Use of Appendices**

n/a

**11. Background papers**

n/a