

NOTICE

HERTFORDSHIRE COUNTY COUNCIL

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 (the '2012 Regulations')

This is formal notice pursuant to Regulation 11 of the 2012 Regulations that a decision on the following matter will be made by officers:-

FOR HERTFORDSHIRE COUNTY COUNCIL TO AGREE THE CLAIM FOR SETTLEMENT OF UNFORESEEN CONSTRUCTION COSTS ARISING FROM THE BISHOP STORTFORD HIGH SCHOOL REBUILD PROJECT

Reasons

ISG Ltd was engaged/contracted by HCC for a project to rebuild Bishop Stortford High School and it is currently in the final stages and envisaging practical completion in the next few months.

Completion of the contract was delayed due to the discovery of ground water on site which had not been picked up in the original site survey commissioned by HCC.

The contract provides for remedies in the event of delays and negotiations as to the precise nature and value of the costs have been ongoing for many months with HCC supported by expert advice on costs provided by MACE and expert legal advice provided by Counsel.

In 2022 Cabinet considered a report which set out the problems caused by the unforeseen site conditions and the fact that there would be additional costs incurred by HCC due to contractual payments for the contractor due to delays arising. At that point an amount of £7.65m was allocated on the basis of best estimates.

However, having undergone subsequent review over the intervening period, that figure has subsequently increased and in order to settle the claim at this point and on the preferential settlement terms, will require an additional allocation of £4.022m and this will be allocated from the schools Basic Need Grant as to which the Chief Finance Officer has confirmed there are sufficient funds available.

ISG is keen to progress the matter to conclusion and within the last two weeks has indicated that in the absence of settlement, it intends to initiate an adjudication process under the terms of the contract. ISG also made an offer to settle on terms which if agreed by 5th July 2024, would, according to HCC's costs advisor, constitute a discount of approximately £1m on the amount likely to be awarded against HCC if the matter progresses to adjudication (and would also avoid the costs of adjudication itself).

The decision is for HCC to agree a final settlement of all heads of claim under ISG's without prejudice offer 01-07-24, and to allocate an additional £4.022m to cover this.

As such, the decision on this matter must be taken by such a date that it is impracticable to comply with Regulation 10 of the 2012 Regulations.

In accordance with the Regulations and the County Council's Constitution, the consent of the Chairman of the Council's Overview and Scrutiny Committee has been obtained and the relevant Opposition Spokesmen have been consulted on the matter about which the decision is to be made.

QUENTIN BAKER
DIRECTOR OF LAW AND GOVERNANCE
5 JULY 2024