

MUNICIPAL YEAR 2014/2015 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION

OF: Cabinet Member
Environment and
Community Safety

REPORT OF:

Director –Regeneration
and Environment

Agenda – Part: 1	KD Num: 4093/4094
Subject: Extension of Contracts for Responsive Maintenance and Minor Works (Non Housing): Contract One: Building Contract Two: Mechanical and Electrical	
Wards:	All

Contact officer and telephone number:

Matthew Mulvany Tel 020 8379 6800

E mail: Matthew.Mulvany @enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1.1 This report concerns the extension of contracts for undertaking responsive maintenance, planned maintenance and minor works to the Council's non housing property portfolio. The undertaking of these works are necessary in order to ensure that the Council's corporate buildings are maintained in a safe and fit for purpose condition, that they maintain their capital value and the mechanical and electrical services plant and equipment within them are tested and inspected in accordance with associated statutory legislation.
- 1.1.2 The works are split into two contracts: Contract One for Building Works held by Kirkman and Jourdain Ltd and Contract Two Mechanical and Electrical Services held by Munns Ltd. The contracts commenced on 8th April 2013 for an initial period of two years but with provision for a further three years in increments of one year. It is proposed to implement the first year's extension in order to extend the contracts until 7th April 2016. A further report will be submitted later in 2015 concerning any further extension or re-procurement.

2. RECOMMENDATIONS

- 2.1 That the Cabinet Member for Environment and Community Safety approves the enactment of the extension provision within the Responsive Maintenance and Minor Works (Non Housing) Contracts as detailed below.
- 2.1.1 To extend the measured term contract for Building Works held with Kirkman and Jourdain Ltd until 7th April 2016.
- 2.1.2 To extend the measured term contract for Mechanical and Electrical held with Munn's Ltd until 7th April 2016.

3. BACKGROUND AND CONTRACT EXTENSION

- 3.1 The Council's corporate property portfolio comprises circa 950 properties, excluding schools and social housing.
- 3.2 The Council has an obligation to ensure that its corporate buildings are maintained in a safe and fit for purpose condition; that they maintain their capital value and the mechanical and electrical services plant and equipment within them are tested and inspected in accordance with associated statutory legislation.
- 3.3 In order to do this the Council undertakes Planned Maintenance, Planned Preventative Maintenance (PPM) and Reactive/responsive Maintenance via two main measured term contracts, one for Building Works and one for Electrical and Mechanical Works.
- 3.4 These measured term contracts were tendered during 2012 and following Cabinet approval on 13th February 2013 were awarded as follows:

Lot 1 Building Works to Kirkman and Jourdain Ltd in the two year notional sum of £1,863,166

Lot 2 Mechanical and Electrical Works to Munns Ltd in the two year notional sum of £1,791,903

The contracts are for an initial period of two years commencing 8th April 2013 but with an extension clause to permit a further three years in increments of one year. The contracts however contain a break clause which allows the Council upon 13 weeks' notice to determine the contracts if it so wishes before their extended date. The Cabinet meeting agreed to delegate to the Cabinet Member for Environment authority to enact the extension clause or clauses within the contract should that be in the Council's best interest at the time to do so.

- 3.5 The contracts have been extended until 30th April 2015 as a minor decision under delegated powers (each contract extension being less than £50,000 in value) but the authority to extend them for one year until 7th April 2016 is a key decision requiring the approval of the Cabinet Member for Environment and Community Safety.
- 3.6 The contracts were tendered and let initially for two years but with the intention to extend the contracts for up to a further three years unless circumstances occurred that would make a re-tender or alternative method of provision more favourable. Whilst how the Council delivers it property maintenance is kept under review and a number of initiatives or proposals may be considered or developed over the medium term due to the timescales on such work it is unlikely the Council would be in a position to change its procurement of these services before 2016.

The current arrangements are still considered therefore the most appropriate way forward but will be kept under review. Should the Council decide before 7th April 2016 that it no longer wishes to utilise these contracts they may be determined earlier by the application of the break clause upon 13 weeks' notice.

- 3.7 The contracts now approach their expiry unless extended under the provisions within the contract. It is proposed therefore that they be extended for one year until 7th April 2016.
- 3.8 The contracts were let on the basis of a fixed price until 7th April 2015 with the Contractors providing percentage adjustments to the 2012/13 National Schedule of Rates. The National Schedule of Rates is updated each August and the contract extension as detailed in the contracts will update the National Schedule of Rates to the 2014/15 edition for the year until 7th April 2016 and the 2015/16 edition for the year until 7th April 2017. The Contractors' percentage adjustments remain fixed for the entire contract period including any extensions. The percentage uplifts represented by the 2014/15 National Schedule of Rates compared to the 2012/13 editions based on a typical basket of rates are as follows:

Contract One Building an uplift of 4.0%

Contract Two Mechanical and Electrical an uplift of 2.2%

This compares very favourably to the tender prices indices which have risen 8.1% for repairs and maintenance contracts over the same period.

- 3.9 The revenue spend on the contracts in 2015/16 will be determined by available budgets and demand but are broadly expected to be similar to the previous year plus inflation as detailed below. It is anticipated that subject to any abnormal demand that the uplift for inflation will be contained within existing budgets.

Contract	Spend 14/15	Estimated Spend 15/16
One Building	£904,522	£940,500
Two M&E	£739,005	£755,250

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The provision of these services could be undertaken via other facilities management type contracts. The timescales to procure such contracts are such that it is not possible in the short term to consider this as an option. As detailed above the contracts contain a break clause which allows the Council upon 13 weeks' notice to determine the contracts

should better opportunities arise for alternative ways to deliver the services.

5. REASONS FOR RECOMMENDATIONS

- 5.1 The Council has a legal obligation to ensure that its corporate buildings are maintained in a safe and fit for purpose condition. The current contracts that undertake this work are now due to expire on 30th April 2015. The contracts were let with provisions for extending them for a further three years in increments of one year. In order to maintain the contracts it is necessary that the first of the one year extension provision is enacted.
- 5.2 As stated above the current arrangements are still considered the most appropriate way forward but will be kept under review. Should the Council decide before 7th April 2016 that it no longer wishes to utilise these contracts they may be determined earlier by the application of the break clause upon 13 weeks' notice.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 The costs of day-to-day responsive building maintenance will be met from the revenue budget provision for repair & maintenance on non-housing property portfolio. The total cost of R&M works is funded from the Repairs and Maintenance Reserve, which includes the annual R&M budget contributions to the reserve.
- 6.1.2 The costs of any minor works that meet the definition of capital expenditure will be met from the budget allocation within the Building Improvement Programme.

6.2 Legal Implications

- 6.2.1 The Council has the power under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way. Under Section 2(1) of the Health and Safety at Work etc. Act 1974 the Council owes a duty to ensure the health, safety and welfare at work of all its employees. Section 111 of the Local Government Act 1972, enables local authorities to do anything, which facilitate or are conducive or incidental to the discharge of their functions. The proposed contract extensions are in accordance with this power.

- 6.2.2. The client has confirmed that the initial contracts with both Contractors were tendered in accordance with EU Regulations and EU principles of transparency, equal treatment, proportionality and non-discrimination. The initial contracts signed with the Contractors further allowed for the extension of the contract term as proposed in this report. The Council will therefore be in compliance with EU Regulations and the Council's Contract Procedure Rules in carrying out the proposed contract extensions.
- 6.2.3. Any variation must be in a form approved by the Assistant Director of Legal and Democratic Services.

6.3 Property Implications

The contracts to be extended are fundamental to the Council's delivery of its day-to-day reactive repairs and planned maintenance responsibilities to its corporate portfolio, thus ensuring the continued operation of buildings and the services delivered from them.

7. KEY RISKS

7.1 The key risks relate to:

- 1) Non-performance of the contractors. Should this occur the Council has financial redress within the terms of the contract and as the contracts have no guaranteed workload the Council could place orders for works with other providers. In addition the contracts contain a break provision upon 13 weeks' notice.
- 2) The failure to undertake repairs and maintenance to its property portfolio leading the closure of buildings and/or unsafe working environments. The extension of these contracts will reduce this risk significantly by maintaining the established provision to undertake such repairs and maintenance.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The extension of these contacts will help ensure that the properties covered by the contracts will be safe for all members of the public and staff to use

8.2 Growth and Sustainability

None directly

8.3 Strong Communities

None directly

9. EQUALITY IMPACT IMPLICATIONS

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is not relevant or proportionate for the extension of this contract.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

The contracts include performance management measures, including quarterly meetings, and submission of KPI data. The performance of the contractors has been generally satisfactory. These arrangements will continue. Should either of the contractors' performance become unacceptable there is provision in the contract to determine it on upon 13 weeks' notice.

11. HEALTH AND SAFETY IMPLICATIONS

The failure to have in place effective contracts from 30th April 2015 would increase the risk of the Council not fulfilling its legal obligation to maintain its property in a safe condition. The recommended contractors have in place satisfactory health and safety policies and procedures.

12. PUBLIC HEALTH IMPLICATIONS

There are no direct public health implications except the effective maintenance of the Council's buildings through these proposed contracts will contribute to the Council's ability to deliver services to the public and help ensure that the properties covered by the contracts will be safe for all members of the public and staff to use.

Background Papers

None.

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PORTFOLIO DECISION OF:
Cabinet Member for Environment &
Community Safety

REPORT OF:
Director – Regeneration &
Environment

Agenda – Part: 1	KD Num: N/A
Subject: Amendment to Skip Licence Duration	
Wards: All	

Contact officer and telephone number: Rebecca Aldred ext 3675

E mail: Rebecca.aldred@enfield.gov.uk

1. EXECUTIVE SUMMARY

As part of the recent review of fees and charges, it was agreed that the length of a skip licence should be reduced from 28 days to 14 days. Due to an administrative error, this change was omitted from the Council report number 158A agreed on 25th February 2015. This report seeks to rectify the situation.

2. RECOMMENDATIONS

The duration of a skip licence is reduced from 28 days to 14 days and this is formally adopted and implemented from 1st May 2015.

3. BACKGROUND

- 3.1 Section 139 of the Highways Act 1980 stipulates that a builders' skip shall not be deposited on a highway without the permission of the highway authority for the highway. This permission can be subject to conditions specified by the authority.
- 3.2 Enfield's original condition regarding the period of the skip licence was 28 days. On the basis that the licence fee covers the Council's costs for administering a licence, and is not "lane rental" then there was justification to keep the licence fee the same. The duration of the licence could then be reduced to 14 days, justified by our Network Management Duty to 'expedite the flow of traffic', ie it is undesirable for a skip to be sited on the highway for a period of 28 days obstructing traffic flow.
- 3.3 On 25th February 2015, the Council agreed the cost of a skip licence at £50. The renewal/extension licence should remain at £30 for a 14 day renewal – this price is less than a new licence to reflect less work involved issuing a renewal licence as we already have all the details on our system.
- 3.4 As part of the annual review of fees and charges, it was agreed that the licence duration should be reduced from 28 days to 14 days. The change was agreed for the reasons detailed above but was omitted from the Council report due to an administrative error in the proofing process.
- 3.5 Unfortunately, the proposed change to the skip licence duration was omitted from the final version of the fees and charges report that was agreed by Council on 25th February 2015.

4. ALTERNATIVE OPTIONS CONSIDERED

To leave the licence duration and fee the same as 14/15.

5. REASONS FOR RECOMMENDATIONS

On the basis that the licence fee covers the Council's costs for administering a licence, and is not "lane rental" then there was justification to keep the licence fee the same. The duration of the licence could then be reduced to 14 days, justified by our Network Management Duty to 'expedite the flow of traffic', ie it is undesirable for a skip to be sited on the highway for a period of 28 days obstructing traffic flow.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 The report proposes that the fee for a skip licence remains unchanged but the duration covered by the licence is reduced from 28 to 14 days. Though the purpose of the change is to “expedite the flow of traffic” the change in duration may impact on the levels of income associated with skip licences. There is a risk that this will mean that more skips are placed on residents own property which could result in additional cost incurred in repairing damage to crossovers caused by skip hire vehicles.
- 6.1.2 However, the impact on the number of skip licences issued and the resulting level of income and any additional costs of repair have yet to be established. The service will monitor the impact on numbers, income levels and additional cost as part of the department’s monthly financial monitoring.

6.2 Legal Implications

- 6.2.1 Section 139 of the Highways Act 1980 provides that a highway authority may grant permission for the siting of skips on the highway subject to conditions. The validity period for the licence is one such condition that the highway authority may stipulate.
- 6.2.2 The recommendations contained within this report are within the Council’s powers and duties

6.3 Property Implications

None identified

7. KEY RISKS

None identified

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

Skip licences are issued in accordance with the Highways Act 1980 and conditions set by Enfield as the Highway Authority. Conditions primarily relate to the safety of all highway users

8.2 Growth and Sustainability

An effectively managed highway network helps to reduce traffic congestion and disruption for residents and businesses.

8.3 Strong Communities

None.

9. EQUALITY IMPACT IMPLICATIONS

An equalities impact assessment/analysis is neither relevant nor proportionate for the approval of this report.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

None identified

11. HEALTH AND SAFETY IMPLICATIONS

None identified

12. PUBLIC HEALTH IMPLICATIONS

There are no direct Public Health implications from this change; however, reducing congestion helps to reduce pollution.

Background Papers

None