

ST ALBANS CITY AND DISTRICT COUNCIL

DECISION REGISTER

Portfolio(s) decision relates to:	Termination of ROK Contract for undertaking of repairs and maintenance		Name of Portfolio Holder:		Cllr David Poor		
Name of decision maker:	Karen Dragovic		Signature of decision maker:				
Name of relevant Overview and Scrutiny Committee:	O & S Public Services		Date of decision:		29/11/2010		
Type of decision <i>(please tick)</i>	Key		Significant	✓	Virement		Other
Scheme of delegation reference under which decision is taken:		Section 3 of the Scheme of Delegation in the Constitution of the Council					
Has this decision drawn upon confidential information? <i>(If yes – please set out what confidential information has been taken into account on a separate sheet)</i>				Yes / No			
<p>DECISION <i>(Note this should be written in the style of a committee minute and should not include confidential information):</i></p> <p>The decision has been made to terminate the contract with ROK, to undertake the repairs and maintenance to SADC council houses upon the basis that the company has entered administration and is no longer able to service the contract.</p> <p>Termination is covered in the Contract Conditions at 11.2, page 135. There is a list of situations in which the Client “may without prejudice to any accrued rights or remedies under the Contract terminate the Service provider’s employment under the Contract by notice in writing having immediate effect.” A number of these situations are insolvency related. The Head of Legal and Democratic Services has advised that it is lawful to terminate the contract</p> <p>In arriving at my decision I have properly and thoroughly taken into account the legal, financial and workforce implications for the Council. My decision is within the Council’s policy and budget framework and complies with the regulations and procedures set out in the Constitution. I have explicitly considered the Council’s corporate objectives in arriving at my decision. In coming to my decision I have consulted with all relevant parties as appropriate and in accordance with the scheme of delegation.</p>							

REASON/S FOR THE DECISION

The basis for this decision is ...

On Monday 8th November 2010, St Albans City and District Council became aware that ROK Plc had been put into administration. The Council has a contract with ROK Building Ltd, which is part of ROK Plc, to maintain its council homes.

The building services company was appointed in November 2009 to carry out maintenance work for the Council with an estimated value of £1.1m pa for SADC. They were appointed following a vigorous tender and financial vetting procedure. It is one of two companies that the Council uses to maintain council homes. The Council is reviewing the situation and is making arrangements to ensure service provision continues.

During this time we have been attempting to contact the administrators, Pricewaterhousecooper, to establish the current situation, they have however provided little information.

Additionally we have also been speaking to the management within ROK, who have confirmed that there are no buyers for the Maintenance section of ROK, who service our contract and as such that part of the company was being shut down.

Because ROK are still in administration, and are no longer able to service the contract, it has therefore been decided to terminate the contract with ROK.

Since ROK have been in administration, alternative suppliers have been used to ensure a continuous service has been provided, and as such making this decision will not affect the provision of the service to our customers.

With ROK not able to service the SADC contract, there is an additional cost to the Council with regards to using alternative suppliers, however this is seen as not significant in relation to the HRA repairs budget, and is estimated at an additional 2% of the budget.

On this basis the decision is categorized as Significant in line with the Council Constitution as it does not meet the criteria defined in Article 13, paragraph 13.03 (b) of the Articles of the Constitution.

This should include a short opening summary of the reason for the decision. This is likely to be supported by additional narrative. Supporting and background information should not be directly replicated. These should be fully cross referenced at the end of the report under background papers – Local Government (Access to Information Act 1985)

OTHER OPTIONS CONSIDERED:		REASONS FOR REJECTING THESE OPTIONS
1.		
2.		
3.		
CONSULTEES		

In making this decision, I have consulted the following people:

Name and Signature	Position	Date of consultation	Outcome of consultation (may cross reference to supplementary/background sheets)
Cllr David Poor	Portfolio Holder	26/11/10	Agreed to decision via Email
LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985			
Bibliography	Custodian	File location	

Confidential information under paragraph ... of the Local Government Act 1972 (as amended) was taken into account in reaching this decision, as included on a separate summary sheet supplied with this decision sheet but not available to the public.

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