

# ARUN DISTRICT COUNCIL

## REPORT TO AND DECISION OF CABINET ON 21 SEPTEMBER 2020

**SUBJECT:** Covid-19 Relief Payment for June 2020 to Osborne Property Services Limited

**REPORT AUTHOR:** Satnam Kaur – Group Head of Residential Services  
**DATE:** August 2020  
**EXTN:** 37718  
**PORTFOLIO AREA:** Residential Services

### EXECUTIVE SUMMARY:

This report seeks Cabinet approval to pay Osborne Property Services Limited (OPSL), the Council's contractor for undertaking responsive repairs and void works on council housing stock, Covid relief payment for June 2020

### RECOMMENDATIONS:

Cabinet approves:

- a) Payment of £55,057.37 exclusive of VAT to cover operating costs for June 2020 in response to the Covid-19 pandemic and in accordance with Cabinet Office issued guidance documents, Procurement Policy Note (PPN) 02/20 and 04/20

### 1. BACKGROUND:

- 1.1 OPSL took over the Responsive Repairs and Void Refurbishment contract for council owned housing stock on 1 April 2020. As lockdown was in place at the start of the contract OPSL were directed to undertake emergency repairs only. Emergency repairs are paid on a cost and materials only basis and the contractor's normal overheads and profit are usually covered by payment for ongoing routine maintenance and void property work. In addition to this, due to the fact that OPSL were required to T.U.P.E. staff from the outgoing contractor on the 1st April, those particular staff did not qualify for furlough through the government staff retention scheme. This put an exceptional burden on OPSL at the commencement of the contract. Advance payments were therefore calculated for April (£77,833 net) and May (£71,396 net) and approved by the Chief Executive, in consultation with the S151 Officer, under his delegated authority. This decision was made Part 4, Officer Scheme of Delegation, Section 1, paragraph 5.2 of the Council's constitution.
- 1.2 Void works and routine repairs were mobilised from mid May and June respectively. A further payment for June of £55,057.37 has been requested to allow for volume and value of works begin to reach more expected levels. This has been assessed

through open book accounting and OPSL has fully justified its request.

- 1.3 Given the continued uncertainty around the pandemic, in order to provide satisfactory value for money and certainty to both parties moving forward the payment of establishment costs will be invoiced separately to work costs. This is permitted with the basis parameters of the contract as it was tendered and let. It allows us to maintain the management cost level, whilst acknowledging that the repairs and void values are less as a result of the current situation. This will be reviewed in April 2021

## 2. PROPOSAL(S):

It is proposed that Cabinet approves the following measures:

- a) Payment of £55,057.37 exclusive of vat to cover operating costs for June 2020 in response to Covid 19 pandemic and in accordance with Cabinet Office issued guidance documents, Procurement Policy Note (PPN) 02/20 and 04/20

## 3. OPTIONS:

- 3.1 Not to support the recommendations.

## 4. CONSULTATION:

- 4.1 This report has been prepared in consultation with the Section 151 Officer.  
4.2 Legal advice has been obtained from Faithorn Farrell Timms in respect of contractual and procurement matters.

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (please specify)		✓
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	✓	
Legal	✓	
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability		✓
Asset Management/Property/Land		✓
Technology		✓
Other (please explain)		✓

**6. IMPLICATIONS:**

**Financial:** Contained within existing budget provision

**7. REASON FOR THE DECISION:**

To safeguard the Councils responsive repairs and voids contract ensuring the welfare, health and safety of our residents and maintenance of our assets.

**8. EFFECTIVE DATE OF THE DECISION: 30 September 2020****8. BACKGROUND PAPERS:**

- Decision Taken under Officer Scheme of Delegation – Contractual Payments to Osborne Property Services Limited (OPSL)

