

PROPOSED HOUSING STOCK TRANSFER – CONTRACTORS

1 SUMMARY

- 1.1 This report asks Members to consider interim arrangements to ensure the smooth transfer of services to the new Rochford Housing Association, subject to the successful outcome of the tenants ballot.

2 INTRODUCTION

- 2.1 It is considered essential that the Council works in partnership with Hereward Housing to ensure a smooth transfer of services to tenants of the new Rochford Housing Association, should the tenant ballot prove successful.
- 2.2 One of the key elements of services, that has a direct impact on tenants, is the transparent transfer of contracts in respect of housing repairs. The key contracts, together with expiry dates, are set out in the table below.

Contractor	Service	Duration of Contract	Expiry Date
GRS	General Building	5 years	31/3/06
R G Francis	Servicing of Central heating Systems	5 years	31/3/06
Lindseys	Heating maintenance	6 years	31/3/07
IBS	Maintenance Fire Alarm	2 years	30/7/06
Kone	Lift Servicing	5 years	31/3/07

- 2.3. During December of last year, preliminary work had commenced with a view to re-tendering the contracts for GRS and RG Francis. At that time, however, Council decided to work towards a large scale voluntary transfer of the housing stock in partnership with Hereward Housing Association.
- 2.4. Discussions were held with Hereward after that decision was made with regard to the above contracts. Hereward expressed the view that it would not be in the new housing association's best interests to take over contracts with long term expiry dates following transfer.
- 2.5. They further stated that, given the contracted rates currently in force, and the fact that the Council was satisfied with the contractors' performance, they would prefer that the contracts were extended. Both contracts provide for annual extensions in accordance with existing contract conditions. The existing contract conditions state existing price plus index linking.
- 2.6. Subject to a successful tenants ballot, the likely transfer timetable suggests a full handover will not be complete until summer 2007. It is therefore proposed

that all of the contracts listed in the above table be extended to 31 March 2008 as set out in paragraph 2.5. above. This will give the new housing association 6-9 months to determine their own procurement of all the key repair service contracts.

3 FINANCIAL IMPLICATIONS

- 3.1 It is envisaged that contracts will be extended on existing terms and conditions, with index linking. As these are funded directly from the Housing Revenue Account, there would be no impact on the core Budget.

4 RECOMMENDATION

- 4.1 It is proposed that the Committee **RESOLVES** to extend the aforementioned contracts as set out in the report on existing terms and conditions, with index linking, until 31 March 2008.

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Background Papers:-

None

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