

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 19 JANUARY 2016

JAYDEE HEATING & ELECTRICAL (JAYDEE HEATING LTD) – IN ADMINISTRATION

1. BACKGROUND

Jaydee Heating Ltd, Dundee lodged a request on the 30 October 2015 that an Administrator be appointed to take over the running of the company. No official confirmation of the appointment was received directly by the Council; however Legal and Democratic Services, following a search on Companies House, provided a copy of the Notice of Administrator's Appointment on the 25 November 2015. The notice confirmed that Paul Dounis and William Duncan of RSM Restructuring Advisory LLP had been appointed as Joint Administrators of the Company on the 11 November 2015.

2. CURRENT SITUATION

At the time of the Administration Jaydee Heating Ltd who are known to the Council as Jaydee Heating & Electrical had been operating the following contract:

Various Sites, Angus – Maintenance & Repair of Gas Boilers & Burners:

Appointed as the lowest place contractor to carry out the servicing and repair works to Council 'General Fund' buildings. This contract commenced on the 1 October 2014 and was due for completion on the 31 March 2017. Following confirmation that an Administrator had been appointed a letter determining Jaydee Heating & Electrical's employment under the contract was issued on the 27 November 2015.

The contractor carried out annual servicing of gas boilers to an agreed programme and carried out repair/replacement work as ordered by Technical and Property Services. Currently there is £5,589.96 (excluding VAT) of monies outstanding against accounts submitted by the contractor and approximately £1,500 (excluding VAT) of monies relating to works carried out by the contractor but not yet invoiced. The total amount currently withheld is approximately £7,089.96 (excluding VAT).

There are no other outstanding contracts between Angus Council and Jaydee Heating & Electrical (Jaydee Heating Ltd).

3. ACTION TAKEN

Ongoing Boiler & Burner Servicing and minor repair works are to be carried out by the Councils' Gas Safe Registered Urgent Repair and Jobbing Contractor to ensure the Councils' ongoing compliance with the Gas Safety Regulations and Health and Safety at Work Act 1974. These actions have been taken with due consideration of the Head of Technical and Property Services responsibility to the Administrators to ensure any costs arising from the Administration are kept to a minimum. Orders to the value of £11,127 have been issued to cover boiler and burners servicing requirements up to 31 March 2016.

Depending on the outcome of negotiations with the Administrator either an agreement will be reached to complete the contract or a new contract will be procured.

Action was taken to protect the Council's financial position by controlling payments to this contractor on the Council's Archimedes and Integra payment systems.

4. FINANCIAL IMPLICATIONS

Until new contract arrangements are put in place detailed cost information in relation to this Administration is not available. At this stage approximately £7,090 is available for contra-charges, however it is anticipated that this may not cover the final amount of the monies due by the end of the original contract period of 31 March 2017. As the calculation of contra-charges is based on the offset between the original contract value and the value of new contract/ works orders put in place there should be limited financial risk to the Council relating

to the outstanding servicing works as a result of Jaydee Heating & Electrical (Jaydee Heating Ltd) Ltd entering into Administration.

5. REPORT AUTHOR

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