

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 26 MAY 2015

MUIRFIELD (CONTRACTS) LTD - IN ADMINISTRATION

1. BACKGROUND

Muirfield (Contracts) Ltd, Dundee lodged a request on the 10 March 2015 that an administrator is appointed to take over the running of the company. Confirmation was received by e-mail on the 16 March 2015 that David Kelso Hunter and Derek Murray Law Forsyth both of Campbell Dallas LLP had been appointed as Joint Administrators of the Company on the 12 March 2015.

2. CURRENT SITUATION

At the time of the Administration Muirfield (Contracts) Ltd had been operating the following contracts:

Responsive Repairs Service for Council House Tenants 2010 to 2015:

Appointed to the Builder Work Trade in the Arbroath/ Carnoustie/ Monifieth Housing Management Area. This contract was due for completion as the 31 March 2015 but had been extended up till the 1 July 2015. As the extension was to provide cover up till a maximum date the contract will be concluded on the 31 March 2015. The current position with orders issued under this contract is:

18 orders complete on site and payments outstanding
38 orders issued, works to be carried out by others

The successful contractor in an adjacent area has agreed to take on any responsive repairs up to the 1 July 2015.

Schedule of Rates Term Contracts 2012/15

Appointed as a second placed contractor for Several Works in the Carnoustie, Forfar, Kirriemuir and Monifieth areas. These contracts are due for completion on the 30 November 2015. As the contractor is second placed and these contracts are only used to 'call-off' orders for works when necessary no further action is required. The current position with orders issued under this contract is:

4 orders complete on site, in the defects period and payments are outstanding

Various Sites – Installation of Door Entry Systems for Housing – Contract 1

Appointed as lowest place contractor to carry out the installation of door entry systems to various properties throughout Angus. The works were substantially complete on site with any outstanding works identified. Arrangements for completion were agreed with the Administrator and a letter of termination of the contract was issued on the 1 April 2015. The completion of the contract has been arranged with a contractor who is currently on site carrying out works of a similar nature. It is anticipated that the completion contract will start in mid April 2015 with completion by June 2015.

Completed Contracts/ Orders

The contractor also has 16 projects/ orders where the works are completed but the final account is to be finalised and/ or the works are still within the defects period. Any outstanding defects will be completed using contractors procured through Angus Council contracts.

3. ACTION TAKEN

Under the respective arrangements for these contracts, where appropriate, the employment of the contractor was terminated. Due to the nature and position of the works on the Various Sites – Installation of Door Entry Systems for Housing – Contract 1 noted above no action was required to secure the works but minor temporary works were carried out.

Minor works relating to defects have been undertaken by Angus Council procured contractors on one contract which is currently within the contract defects period.

Any actions taken have been to protect the Council's interests where works are required to be carried out as a matter of urgency. 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.

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 any outstanding works and defects are fully completed an exact figure relating to this Administration is not available. Based on the information to date Angus Council are due in the region of £165,000 to the Administrators, although this figure will be reduced once any contra-charges are applied relating to outstanding works and defects.

At this stage any contra-charges will be covered by the monies currently due, therefore there is no financial risk to the Council as a result of Muirfield (Contracts) Ltd entering into Administration.

5. REPORT AUTHOR

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