

# Record of decision taken under delegated powers by a council officer



Title:	<b>Surrey County Council Response to Covid: providing support to Kier supply chain</b>
Divisions Affected:	All
Key Decision:	Yes
Reason Key:	Affects two or more Divisions
Decision taken under delegation by virtue of:	<b>Cabinet decision 31 March 2020 Min ref: 41/20</b>

## Summary

Non critical highway works were paused on 30<sup>th</sup> March, with most recommencing by 15<sup>th</sup> April. In order to support suppliers and to retain capacity to enable a rapid return to work, we have agreed to meet “stand down” costs (e.g. staff, hire of plant, overhead), and also to pay de-mobilisation and re-mobilisation costs (e.g. shutting down and securing construction sites). These costs are currently estimated at £0.4m.

In order to assist suppliers with their cashflow, payment will be made of 70% on account (i.e. earlier than normal, and prior to full verification), with the remainder paid once verification has taken place, working on an open book basis. The initial payment equates to £0.276m.

This decision relates to costs incurred up to 9<sup>th</sup> April, with a possible requirement for a further payment up to 15<sup>th</sup> April (or whenever individual schemes re-commenced).

These suppliers are “tier 2”, i.e. they are contracted to Kier, not to SCC. Payment is only proposed where specific task orders have been issued by SCC, and those works have been affected by the pause.

These are additional costs to SCC, and therefore require approval.

## Decision made

### Decision made:

It was AGREED that:

1. Financial support of £0.4m be provided to highway contractors operating within the Kier partnership contract, for costs incurred while works were paused in March and April 2020.

Reasons for Decision:

To support highways contractors, and to retain their capacity so that highway works can re-commence as quickly as possible.

Decision taken by:	Katie Stewart – Executive Director ETI Matt Furniss – Cabinet Member for Highways
Decision taken on:	29 <sup>th</sup> April 2020
To be implemented on:	Payments backdated to 30/03/2020

**Alternative options considered**

The alternative is not to provide financial support, which could affect the financial viability of contractors, and would not allow highway works to be re-commenced quickly.

**Summary of any financial implications**

Costs in respect of this decision are expected to be c.£0.4m. Additional payments may be made where works were paused beyond 9<sup>th</sup> April 2020. In the first instance attempts will be made to contain costs within the existing budget envelope, or additional funding provided by government.

**Declarations of conflicts of interest**

None

*(list any conflict of interest declared by a Cabinet Member who is consulted by the officer which relates to the decision and, in respect of any declared conflict of interest, any note of dispensation granted by the head of paid service).*

**Consultation/Process Followed**

Decision taken in consultation with Cabinet Member for Highways.



Decision to support  
Kier subcontractors.

*(If delegation required consultation to take place with, for example, a Cabinet Member, include details here).*

**Background Documents**

Exempt:

Cabinet report 31 <sup>st</sup> March 2020 setting out the council's response to Covid-19.
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