

FOR PUBLICATION

STRUCTURAL SURVEY OF NON-TRADITIONAL HOUSING STOCK (H000)

MEETING: 1. CABINET
2. EXECUTIVE MEMBER FOR HOUSING

DATE: 1. 29th JULY 2014
2. 18th JULY 2014

REPORT BY: HOUSING SERVICE MANAGER – BUSINESS
PLANNING AND STRATEGY

WARD: ALL

COMMUNITY FORUM: ALL

KEY DECISION REFERENCE
(IF APPLICABLE): 423

FOR PUBLICATION

BACKGROUND PAPERS FOR PUBLIC REPORTS:

TITLE: • Structural Survey of Non-traditional Housing Stock – May 2014 (Curtins) LOCATION: Housing Services - Business Planning and Strategy

1.0 **PURPOSE OF REPORT**

- 1.1 To advise Members of the content of the Structural Survey of the Non-Traditional Housing Stock.
- 1.2 To seek approval to procure a suitable contractor and to carry out the recommended works to the BL8 and Cornish properties and consultants to provide advice and a contract administer role in relation to works to non-traditional properties.

1.3 To seek approval to carry out a detailed option appraisal surrounding the Unity properties and to bring a further report to Members on the options for this property type.

2.0 **RECOMMENDATIONS**

2.1 That the Structural Survey of the Non-Traditional Housing Stock be received.

2.2 That the Housing Service Manager – Business Planning and Strategy updates the HRA Business Plan to incorporate the Non-Traditional Stock Condition Survey results and reports back to Cabinet.

2.3 That the Housing Service Manager – Business Planning and Strategy be authorised to procure consultants, in accordance with the Council's Standing Orders, to provide structural / technical advice and act as contractor administrators in relation to the investment in the non-traditional housing stock and any associated options appraisal.

2.4 That the Housing Services Manager – Business Planning and Strategy be authorised to carry out an open tender process, in accordance with the Council's Standing Orders, to procure a suitable contractor to carry out the recommended works to the BL8 and Cornish properties and that the costs associated with this work are met from the 2014/15 Housing Capital Programme.

2.5 That the Housing Services Manager – Business Planning and Strategy be authorised to carry out a detailed option appraisal on the investment needs associated with the Unity properties, the options available to the Council and that a further report is brought to Members.

3.0 **BACKGROUND**

3.1 All local authorities are required to gather information in relation to the condition of their housing stock for business planning purposes. One of the key drivers of the HRA Business Plan is an independent stock condition survey, which should be reviewed every 3 years in order to provide a robust, up to date, externally verified assessment of the condition of the stock.

3.2 Whilst this survey includes the costs associated with improving and maintaining the Non-Traditional Housing Stock, it does not report on the structural stability of this stock, whether they can be economically refurbished to ensure a 30 year life or whether other options for this stock should be considered e.g. disposal or demolition.

3.3 In order to ensure that the assumptions around the Non-Traditional Housing Stock within the Business Plan are accurate, Members approved a detailed

visual and intrusive investigation of a 10% sample of the relevant stock in April 2013. The purpose of this investigation was to include an assessment of the building structure, its condition and to advise on the extent and cost of structural refurbishment to ensure a minimum future life of 30 years. This report provides an update to Members on the findings of this investigation.

4.0 **THE STRUCTURAL SURVEY OF THE NON-TRADITIONAL STOCK**

- 4.1 This survey was procured at the same time as a Stock Condition and Asbestos Survey of the entire housing stock through the Professional Services Hub (a Public Sector Procurement Framework) to which Chesterfield Borough Council are members. These surveys were carried out by Savills, a firm of Chartered Surveyors and will be the subject of a separate report to Members.
- 4.2 Savills directly appointed Curtins, a firm of structural and civil engineers on behalf of the Council to undertake the structural survey of the non-traditional housing stock. The survey was carried out during March / April 2014.
- 4.3 Chesterfield Borough Council own 1,893 properties of non-traditional construction, however for the purpose of this survey it was agreed that the Wimpey No Fines Properties e.g. properties at Grangewood (1280 properties) would be excluded from the survey as their construction means that their lifecycle, structural and maintenance requirements are no different from traditional built properties. Non-traditional properties which have previously benefitted from investment in external cladding and a structural survey e.g. properties at White City, Brimington (265 properties) were also excluded from the survey.
- 4.4 Therefore for the purposes of the Structural Survey Report a total of 348 properties were covered and have been analysed by type, which can be broken down by precast concrete, steel framed and timber framed as follows;

Concrete Construction	Steel Construction	Timber Construction
Cornish	BISF	Timber
Reema	BL8	
Unity	Trusteel	

- 4.5 217 (62%) of the non-traditional stock covered by the survey are designated as being 'defective' in terms of the Housing Defects Act 1985. A further 153 properties excluded from the survey because they have already received investment works are also classed as defective.
- 4.6 Curtins initially undertook a general assessment based on previous knowledge of the housing stock to establish the most appropriate sampling

and inspection regime. As the survey was based on visual inspections and detailed intrusive investigations, it was not feasible to inspect every property. Therefore, a sampling regime was adopted that is considered to be representative of the stock as a whole.

- 4.7 The number of properties of a particular construction type selected for inspection and investigation varied dependant upon the total number of properties within that construction type and their vulnerability to defects. Also considered was their location within the Borough, as similar properties in different areas may have 'weathered' differently, despite being built at the same time.
- 4.8 The property addresses were then chosen at random, except where a particular property had been identified with a specific defect. This method was chosen rather than investigating the houses in the worst condition, as this could have resulted in a pessimistic view of the overall condition of the stock and the over estimation of repair costs.
- 4.9 Unfortunately at the time of the survey, there were no void properties available within the stock types being surveyed and therefore no property was exposed to reveal its complete structure. Therefore there is no guarantee that the worst of the most aggressive areas of degradation have been identified during the survey.

5.0 **RESULTS FROM THE STRUCTURAL SURVEY**

- 5.1 Curtins report is attached at **Appendix 1**. During the survey no significant structural cracking was found, which suggests that the foundations are performing adequately and there are no significant ground related problems. However, as identified at paragraphs 4.8 and 4.9, as it was a sample survey and not all properties were investigated, there may be isolated incidences where there are structural defects due to ground related issues e.g. Middlecroft / Inkersall.
- 5.2 **BISF** – The Council owns 29 properties of this construction in Brimington, Newbold and Staveley. These properties were previously subject to a major refurbishment programme which included over-cladding at both the ground and first floors. However, when this refurbishment was undertaken, the existing cladding was left in-situ and as a result it was only possible to carry out a limited inspection of the existing steel frame, which can be prone to corrosion. In Curtins' opinion the current refurbishment will not provide a 30 year life and in order to improve the thermal performance of the properties and extend its longevity, it is recommended that the works identified in Section 8 of Appendix 1 are undertaken, subject to which the properties will achieve a 30 year life.

- 5.3 **BL8** – The Council owns 55 properties of this construction in Birdholme and Grangewood. The properties are in a relatively good condition, but very little has been improved to the original construction since they were built 60 years ago. These properties are all large semi or detached bungalows (2 and 3 bedrooms) and are often used to accommodate families with disabled members. In order to improve their appearance, thermal performance and longevity, it is recommended that the works identified in Section 8 of Appendix 1 are undertaken, subject to which the properties will achieve a 30 year life.
- 5.4 **Cornish** – The Council owns 4 properties of this construction in Hady (2 of which have previously had works and were excluded from this survey). The properties have performed well and the remainder of the now privately owned estate has previously been over-clad. In order to improve their appearance, thermal performance and longevity, it is recommended that the works identified at Section 8 of Appendix 1 are undertaken, subject to which the properties will achieve a 30 year life.
- 5.5 **Reema** – The Council owns 94 properties of this construction in Boythorpe and Staveley. The properties have been well maintained, however some of the joints have eroded and there are areas of spalled concrete. The properties suffer from poor thermal performance and it is recommended that the works identified at Section 8 of Appendix 1 are undertaken, subject to which the properties will achieve a 30 year life.
- 5.6 **Timber** – The Council owns 23 properties of this construction in Mastin Moor, Newbold and Staveley. The properties are in a very good condition and there was no evidence of any decay to the structure. Whilst the walls are not insulated to a modern standard, they do provide a comfortable standard and therefore no major refurbishment is recommended, with the exception of good day to day maintenance over the next 30 years, which should include ensuring a good airflow under the ground floor.
- 5.7 **Trusteel** – The Council owns 24 properties of this construction in Inkersall. Structurally the properties are in a good condition, however they have no insulation in the structure and suffer from poor thermal performance. It is recommended that the works identified at Section 8 of Appendix 1 are undertaken, subject to which the properties will achieve a 30 year life.
- 5.8 **Unity** – The Council owns 122 properties of this construction in Dunston, Hasland, Brimington and Newbold. The properties have stack bonded panels externally and are exhibiting open joints and cracked panels. The structural columns which are located in the cavity behind the panels have high chloride results and therefore cannot remain untreated. Normally it is possible to apply a corrosion inhibitor, however due to the location of the concrete columns this is not possible and the columns need to be removed.

It is recommended that the works identified at Section 8 of Appendix 1 are undertaken, subject to which the properties will achieve a 30 year life, however in order to do this work the tenants will need to be decanted.

6.0 **UNITY PROPERTIES**

- 6.1 As identified at paragraph 5.8 above, it is envisaged that to carry out the recommended works to the Unity properties will cost in the region of £50,000 per dwelling. In order to carry out these works, tenants will need to be decanted from the property, which will incur additional costs e.g. disturbance allowance, removal costs, potential home-loss payments and will also have implications on the waiting list, as family accommodation will have to be held from letting purposes.
- 6.2 The removal of the defective concrete columns and the associated enveloping would in essence convert the property from a non-traditionally constructed dwelling to a traditional dwelling and ensure a life span in excess of 30 years.
- 6.3 However, when considering the financial implication of investing £50,000 into an existing dwelling, where it will still only be possible to bring it up to a certain level of thermal comfort and where the property will still have been constructed for in excess of 60 years, it is prudent to consider the alternative investment options open to the Council for the following reasons;
- 6.3.1 Whilst the painting of a corrosion inhibitor onto the concrete columns is not possible in this instance, there maybe an alternative solution available where a chemical is injected into the columns from the outside of the property. This would result in the costs associated with this recommended work being reduced and remove the need for the existing tenants to be decanted during the works. Further work however needs to take place around the suitability of this treatment as it may not give a life span of 30 years and there maybe limitations to the warranty associated with the product.
- 6.3.2 During the survey, there was no void property available in which the complete structure could be exposed and therefore there is no guarantee that the worst of the most aggressive areas of degradation have been identified in this type of property.
- 6.3.3 The bulk of the total costs associated with the non-traditional properties (paragraph 7.1) is attributable to the Unity properties and these costs and associated costs will need to be modelled in the HRA Business Plan to fully understand the implications of investment.

6.4 It is therefore recommended that a detailed option appraisal is carried out to consider investment, disinvestment and replacement or a partial investment option for this property type and a further report is brought to Members.

7.0 FINANCIAL CONSIDERATIONS

7.1 The following table provides a summary of the budget costs for each house type. These costs do not allow for routine maintenance which would apply to all properties.

Property Type	No of Dwellings	Total Cost for 30 year Repair	Extra Over Costs	Total Costs	Priority of Repairs in Business Plan	Cost per Dwelling
BISF	29	£487,635	£139,200	£626,835	Yr 5-10	£21,615
BL8	55	£624,670	£264,000	£888,670	Yr 1-5	£16,157.64
Cornish	2	£12,900	£23,500	£36,400	Yr 1-5	£18,200
Reema	93	£720,000	£508,000	£1,228,100	Yr 1-5	£13,205.38
Timber	23	£0	£0	£0	Maintenance only	£0
Trusteel	24	£200,280	£158,400	£358,680	Yr 5-10	£14,945
Unity	122	£4,616,800	£1,392,000	£6,008,800	Yr 1-5	£49,252.46
Sub Total	348	£6,662,285	£2,485,100	£9,147,385		
25% Contract Prelims and Profit		£1,665,571	£621,275	£2,286,846		
Totals	348	£8,327,856	£3,106,375	£11,434,231		£32,856.99

7.2 The costs associated with the recommended works will be met from the Housing Revenue Account. A budget of £1.0 million has been approved for this work within the 2014/15 Housing Capital Programme with a further £2.75 million being provisionally allocated over the financial years 2015/16 and 2016/17. This will be sufficient to address the investment needs of all the above property types with the exception of the Unity properties.

8.0 RISK MANAGEMENT

Description of the Risk	Risk Rating	Likelihood	Impact	Mitigating Action	Residual Likelihood	Residual Impact
Delaying work unnecessarily may result in structural elements decaying further beyond repair, resulting in complete replacement and an increase in costs	M	M	H	Approval for works to commence on BL8 and Cornish dwellings in 2014/15 with further programmes in priority order in future years	L	L

No void property was available at the time of the survey and therefore there is no guarantee that the worst of the most aggressive areas of degradation have been identified	M	M	H	Option Appraisal of Investment Options in Unity Properties which have the highest associated costs per unit prior to investment will allow an fully invasive test to take place to a void property prior to any investment decision being taken	M	M
These additional costs have not been modelled in the HRA Business Plan and therefore may have an impact on our ability to meet and maintain the Decent Homes Standard	M	M	H	Modelling of costs and options to take place prior to investment decision being taken to Unity properties where the bulk of the costs arise	M	M

9.0 **EQUALITIES CONSIDERATIONS**

9.1 The equalities impacts of all the proposals in this report have been assessed against those tenants with protected characteristics. Works to properties may or may not take place irrespective of a persons individual circumstances, as the purpose of the report is to ensure that the Council's housing stock meets the decent homes standard, achieves a reasonable degree of thermal comfort and energy performance and remains fit for purposes for the next 30 years. Where works are carried out to the home of a tenant with a protected characteristic, their individual needs will be taken into account and mitigated where possible. An Equalities Impact Assessment is attached at **Appendix 2**.

10.0 **RECOMMENDATIONS**

- 10.1 That the Structural Survey of the Non-traditional Housing Stock be received.
- 10.2 That the Housing Service Manager – Business Planning and Strategy updates the HRA Business Plan to incorporate the Non-traditional Stock Condition Survey results and reports back to Cabinet.
- 10.3 That the Housing Service Manager – Business Planning and Strategy be authorised to procure consultants, in accordance with the Council's Standing Orders, to provide structural / technical advice and act as contractor administrators in relation to the investment in the non-traditional housing stock and any associated options appraisal.

- 10.4 That the Housing Services Manager – Business Planning and Strategy Manager be authorised to carry out an open tender process, in accordance with the Council’s Standing Orders, to procure a suitable contractor to carry out the recommended works to the BL8 and Cornish properties and that the costs associated with this work are met from the 2014/15 Housing Capital Programme.
- 10.5 That the Housing Services Manager – Business Planning and Strategy be authorised to carry out a detailed option appraisal on the investment needs associated with the Unity properties, the options available to the Council and that a further report is brought to Members.

11.0 **REASONS FOR RECOMMENDATION**

- 11.1 To contribute to meeting the Council’s Corporate priority ‘To improve the quality of life for local people’ by improving the quality of housing in the Borough.
- 11.2 To contribute to improved performance against our key performance indicator NI158 (% Decent Council Homes).
- 11.3 To contribute to the actions set out in the Council’s Home Energy Conservation Act (HECA) Plan.

A. CRAIG

HOUSING SERVICE MANAGER – BUSINESS PLANNING AND STRATEGY

You can get more information about this report from Alison Craig on extension 5156 or Roger Farrand on ext 5401.

Officer recommendation supported as below or Executive Members’ recommendation/comments if no Officer recommendation.



Signed

Executive Member

Date 18 July 2014

Consultee Executive Member/Support Member comments (if applicable)