

CAERPHILLY HOMES TASK GROUP - 22ND MAY 2014

SUBJECT: ROWAN PLACE, RHYMNEY

REPORT BY: INTERIM CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To update on the extent of repairs and improvement works required to homes at Rowan Place, Rhymney.

2. SUMMARY

- 2.1 New surveys of the properties at Rowan Place have identified severe damp and extensive defects to the external fabric. Significant additional costs are now required to bring the stock to the WHQS. The internal improvement works have been suspended pending a review of the position. The report recommends a course of action and outlines the cost implications to the WHQS business plan.

3. LINKS TO STRATEGY

- 3.1 The Welsh Housing Quality Standard (WHQS) is intended to ensure that all local authority and housing association homes are improved and maintained to achieve specified standards.
- 3.2 The Single Integrated Plan 2013-2017 has a priority to "Improve standards of housing and communities, giving appropriate access to services across the County Borough."
- 3.3 The Council's Local Housing Strategy "People, Property, and Places" has the following aim:
"To provide good quality, well managed houses in communities where people want to live, and offer people housing choices which meet their needs and aspirations."

4. THE REPORT

- 4.1 A report on Rowan Place was presented to the CHTG in October 2013. This drew attention to various social problems, low demand and long term voids. Internal improvement works had been scheduled for 2013/14 and to increase the attractiveness of the properties to people on the waiting list it was proposed that the void properties undergo a full internal refurbishment. This would have included additional works to those already planned such as new ceilings, re plastering throughout, new skirting boards, doors and linings and complete redecoration. At the time of the report the number of voids that would have had the enhanced work had reduced to six.
- 4.2 External works are not currently scheduled until 2016/17. The Savills stock condition survey identified only limited external works. The initial idea had been to consider bringing forward the external works but surveys indicated very significant additional costs. With the exception of the remodelling of the curtilages around the flats where alley ways had previously been blocked up the external works were left to be dealt with in the programmed year.

- 4.3 The Cabinet Sub Committee agreed the following :
- 1 That the void properties within Rowan Place undergo a full refurbishment improvement to increase their attractiveness.
 - 2 That the external works to the curtilage of the flats is brought forward and incorporated as parts of the works programme being undertaken by the in house work force.
 - 3 That the budget for Rowan Place be increased by an additional £268,000 to implement the above to met from within the capital programme for 2013/14.
 - 4 A multi agency task group is established to tackle the social and economic issues and provide support to lower the incidence of anti social behaviour, unemployment, drug and alcohol abuse.
 - 5 To support the proposals 2 void properties are utilised to create a show flat and provide welfare facilities.
- 4.4 Arrangements were put in place to proceed on the basis of these decisions during the early part of 2014. However within a number of the properties scheduled for the internal works it was apparent that damp problems were excessive. This had not been identified at the time of the original surveys which were undertaken in dry warm weather conditions during the summer of 2013. Due to the severity of the damp encountered it was decided to resurvey all the properties in Rowan Place. Access was initially gained to 58 out of the 72 Council owned properties. Of the properties where access was gained 24 had severe damp, 5 moderate damp, and 15 slight damp. It is thought the problems may have resulted from the very wet winter weather, and defects in the external fabric of the properties eg gutters, downpipes, flashings, defective roofs and windows, poorly positioned radiators, heating and ventilation not been used by tenants. Cavity wall insulation has become saturated and has had to be removed in a number of properties.
- 4.5 New kitchens and bathrooms installed into properties suffering with damp will quickly deteriorate. The defects in the fabric of the structure should be addressed before the internal improvement works are undertaken.
- 4.6 Given the extent of the problems in Rowan Place the scheduled internal improvements have been suspended pending reconsideration of the strategy.
- 4.7 To avoid abortive costs the external repairs are now a priority before addressing the internal work. The external works are extensive and due to the removal of the cavity wall insulation, now recommended for all the properties in Rowan Place, an external insulated wall cladding is proposed together with renewal of roof coverings and associated work. Many of the timber windows have defects including failed gaskets, water penetration through frames, and double glazed units broken down. Therefore a complete window replacement programme is proposed together with all external doors.
- 4.8 Those properties which are suffering severe damp will require a full internal refurbishment. Although this may not be necessary in all the properties it is prudent to set a budget that can include the full refurbishment for all the properties to allow some flexibility and discretion on individual properties.
- 4.9 The estimated cost to undertake comprehensive external and internal repairs and improvement works is £4.2m. This compares with the estimate of £619,800 in the Savills cost plan.
- 4.10 If all the properties are to remain as part of the housing stock there is no option but to incur the expenditure to address defects in the external fabric and undertake the necessary internal refurbishment. It is pre requisite of WHQS that dwellings should be free from damp and disrepair. The walls must be in good condition as must the roof structure and coverings. External windows, doors and chimneys must also be in good condition.

- 4.11 One possible alternative option may be to consider a reduction in the stock through selective demolition. 48 of the properties are 2 bedroom flats. Despite the fact that the accommodation lends itself to families and single people who may have been affected by the welfare reform changes to housing benefit (bedroom tax), due to the reputation of the area potential tenants have refused offers of accommodation resulting in long term voids. If 2 blocks of 4 flats were demolished that would reduce the total number to 40. The demolition costs and landscaping of the cleared sites would be an estimated cost of £162,000 but there would be savings on the refurbishment costs.
- 4.12 The Council would be unable to build any replacement stock to replace that which may be demolished and Rhymney is not a priority area for any of the RSLs to build new affordable homes. Removing units of accommodation does therefore need careful consideration. With investment in the homes alongside other measures to tackle the social problems could reverse the perceptions about the area.
- 4.13 Pending a decision on the long term strategy for Rowan Place immediate action has been taken to bring some temporary relief to those properties suffering severe damp. There will be a fungicidal wash to internal walls affected by black mould.
- 4.14 Although it is not the normal practice to decant tenants during the WHQS works, the complete internal refurbishment of the worst affected properties will be very disruptive. It is suggested that if the voids are refurbished initially they could be used to provide alternative accommodation for some of the tenants in Rowan Place enabling a rolling programme of internal works which includes those properties where a complete internal refurbishment is essential.
- 4.15 The internal works were originally scheduled for the 13/14 financial year to be undertaken by the in house work force but have been suspended. The external works were scheduled for 2016/17 to be undertaken by an external contractor. Contractors for the external works in the upper Rhymney Valley have yet to be appointed. If the external works are now brought forward a possibility would be for the in house workforce to take on responsibility for both internal and external works as the main contractor supported where necessary by sub contractors with works tendered from the DLO sub contract framework. However there may be practical difficulties as the maximum value that can be awarded for any one contract under the framework is £75,000. Depending on the timing of resolution of the external works contracts separate procurement arrangements may be necessary to enable satisfactory contract arrangements to expedite works at Rowan Place.

5. EQUALITIES IMPLICATIONS

- 5.1 An EqIA screening has been completed in accordance with the Council's Equalities Consultation and Monitoring Guidance and no potential for unlawful discrimination and for low level or minor negative impact have been identified, therefore a full EqIA has not been carried out.

6. FINANCIAL IMPLICATIONS

- 6.1 The cost plan estimate for the internal improvements to the 72 Council owned properties based on the Savills stock condition survey is £563,000 and for the external works £55,900.
- 6.2 Following new surveys the estimated cost to fully refurbish the properties internally and externally is £4,234,000. There is therefore an unbudgeted estimated expenditure of £3,615,000. This expenditure is necessary if the housing stock at Rowan place is retained and is to achieve WHQS.
- 6.3 The WHQS business plan is based on the Savills data from 2008. The stock condition was a 15% sample survey. It is not therefore unexpected that as the Programme moved forward there would be some significant variations.

- 6.4 The report on the Internal Works Contracts highlights significant variances including the Rowan Place additional cost. Due to savings elsewhere in the programme and based on current assessment this additional cost can be accommodated.
- 6.5 The demolition, site clearance and landscaping of two blocks of flats is estimated at £162,000. The average cost of repairs and improvements per property is £58,800, so the saving would be £470,400 so once the demolition and associated costs are taken into account the net saving would reduce to £308,400.

7. PERSONNEL IMPLICATIONS

- 7.1 There will be a need to re phase the works and staff resources will need to be deployed to plan and manage the works. There will be some procurement implications and dependent on the approach adopted procurement resources may be needed to put the preferred contract arrangements in place to meet the new programme for Rowan Place.

8. CONSULTATIONS

- 8.1 The local ward member supports the proposed investment to improve the properties but is opposed to the demolition of any of the flats. He feels that with the introduction of the bedroom tax it is important to retain all 1 bedroom properties.

9. RECOMMENDATIONS

- 9.1 The CHTG is invited to consider the following recommendations to the Policy and Resources Scrutiny Committee:
- 1 To agree a revised approach to Rowan Place by bringing forward the external works to be undertaken in parallel with the internal works in view of the extent of the damp problems. The works are to be reprogrammed to commence during 2014/15.
 - 2 To determine whether to pursue limited selective demolition to reduce the overall number of 2 bedroom flats given the large concentration in Rowan Place. If this option is followed consultation with residents in Rowan Place should take place prior to any demolition including discussion on the after use of the cleared site.
 - 3 To accept the estimated additional costs of £3.615m to be funded within the business plan flexibilities.
 - 4 Properties suffering severe damp where damage is extensive to undergo a full internal refurbishment and tenants offered the opportunity to relocate to a newly refurbished property (voids) in Rowan Place. The extent of internal refurbishment to other properties will be determined by their condition at the time of the works.
 - 5 That the WHQS Project Board be given delegated authority to determine the most appropriate contractual arrangements between the in house team and contractors to expedite the works to meet the new timeline.
 - 6 Other previous commitments to establish a multi agency task group to tackle the social problems and to create a show flat and welfare facilities are reaffirmed.
 - 7 The tenants are kept informed about the programming of the repairs and improvement works.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To determine a course of action to address the repairs and improvements required to enable the properties in Rowan Place to meet the WHQS.

11. STATUTORY POWER

- 11.1 Housing and Local Government Acts. This is a Cabinet function.

Author: Phil Davy, Head of Programmes
Email: davyppg@caerphilly.gov.uk Tel: 01443 864208

Consultees: Cllr Gerald Jones, Deputy Leader & Cabinet Member for Housing
Cllr Keith Reynolds, Deputy Leader & Cabinet Member for Corporate Services
Cllr Carl Cuss, Ward Member, Twyn Carno
Stuart Rosser, Interim Chief Executive
Nicole Scammell, Acting Director of Corporate Services & S151 Officer
Shaun Couzens, Chief Housing Officer
Liz Lucas, Head of Procurement
Gail Williams, Monitoring Officer/Principal Solicitor
Colin Roden, WHQS Implementation Project Manager
Jane Roberts-Waite, Strategic Co-ordination Manager
Lesley Allen, Group Accountant
Kenyon Williams, Private Sector Housing Manager