

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

Council: 21 December 2011

Subject: South Drumry, Structural Work: Potential underspend

1. Purpose

- 1.1** The purpose of this report is to advise members on the potential underspend of the Housing Revenue Account (HRA) in relation to structural work to properties in South Drumry.

2. Background

- 2.1** At the Council meeting of 26 October 2011 it was agreed: -

- (1) That a report on the potential underspend of the HRA in relation to structural work to properties in South Drumry, would be submitted to the November meeting of Council for Members' consideration.

3. Main Issues

- 3.1** At the Council meeting of 30 March 2011, members agreed a report entitled "HRA Capital Programme 2011/2012". The agreed programme included "Structural Works Drumry" with a proposed budget of £1m. This was a continuing programme of work to address specific structural faults in a number of tenement properties in Drumry.
- 3.2** Phase 1 of the works programme was ongoing when the HRA Capital Programme for 2011/2012 was agreed, with work being carried out to 45, 47, 49 and 51 Jean Armour Drive. The programme, carried out by Housing DLO, involved decanting tenants while the works were carried out. The works involved the removal of non loadbearing masonry walls, installing new timber floor joists and replacing the walls with lightweight timber stud walls; with resultant works to kitchens, bathrooms, electrics and central heating. The Jean Armour Drive works were completed in May 2011.
- 3.3** Due to the unforeseen nature of certain aspects of the structural and subsequent reinstatement works, the scope of the proposed works increased while the contractor was on site which increased the length of the decant period with resultant disruption to tenants.

- 3.4** On completion of the works at Jean Armour Drive there was a natural break before the locus of the works relocated to Onslow Road. At this point officers took the opportunity to consider further structural information and review the contract and experiences to date in order to identify the contractual specification for the remaining addresses.
- 3.5** Consultations with Structural Engineers were carried out with a view to ascertaining if a less disruptive and quicker option was available to address the structural issues; while still delivering the standard of accommodation and finished product required. A number of options were considered which resulted in the Council's Consultancy Services Section exploring in detail, with Structural Engineers Ramage Young, the feasibility of installing steel beams as an alternative to removing the non-loadbearing masonry walls, installing new floor joists and replacing the walls with lightweight timber stud walls, and other ancillary works. A design for this method was drafted and approved by Ramage Young.
- 3.6** While this method would have greatly reduced the disruption and decanting timescales along with reduced costs, the drawbacks such as the requirement to monitor and continuously maintain the fabrics of the building, for example ongoing cracking in the masonry walls, would prove to be problematic. This would be in addition to the fact that the deflections in the floor structure would not be eliminated. Consequently, after much consideration, it was agreed that the best solution was to proceed with the original method of repairs, which provides a long term solution.

The review period has resulted in slippage in the work undertaken on this project in 2011/2012 and will reduce expenditure in the current year. In light of the outcome of the review it is proposed that Consultancy Services will continue to engage with the Phase 1 contractor (Housing DLO) in terms of timescale and cost, and for works to recommence on site in January 2012 to complete the remainder of Phase 1 (90, 91, 92, 93 Onslow Rd and 13 Alsatian Avenue); with target completion in August 2012.

- 3.7** The 12 flats at 90 Onslow Road and 13 Alsatian Avenue are void. However, within the eighteen flats at 91, 92 and 93 Onslow Road there are 13 tenanted properties.
- 3.8** Due to the nature of the structural work, all households will require to be decanted for the duration of the contract. Initial discussions have taken place with the tenants concerned and they have been made aware that it is proposed that the work will start in January 2012. The tenants have been assured that Housing staff will provide support and assistance to ensure that disruption and inconvenience is kept to a minimum.
- 3.9** There is significant demand for properties in South Drumry and on completion of the structural works, 23 properties will be returned to the lettings pool. This will have a significant impact not only in terms of meeting housing need but also in reducing the overall rent loss due to voids.

3.10 At Housing, Environmental and Economic Development Committee on 2 November 2011, committee was advised that anticipated capital receipts, projected for resource budget for HRA Capital Programme 2011/2012, would not achieve the budgeted rates by a total of £1.2m. To contribute to meeting this reduction it was agreed that the budget for Structural Works to Drumry would be reduced by £0.800m leaving a revised budget for the project of £0.200m for 2011/2012. This budget will fund proposed works arising from present review to financial year end; with the balance of the programme incorporated in 2012/2013 Capital Programme.

4. People Implications

4.1 The 13 households in 91, 92 and 93 Onslow Road will require to be decanted. Every effort will be made to ensure that disruption is kept to a minimum. Appropriate resources from the allocations and estate management teams will be deployed to ensure that this is managed as effectively as possible.

5. Financial Implications

5.1 The budget for South Drumry Structural Work for 2011/12 has been reduced by £0.800m to partially offset the anticipated reduction in capital receipts; as reported to Housing, Environment and Economic Development Committee on 2 November 2011.

5.2 The revised budget for 2011/2012 is £0.200m. The balance of the budget for Phase 1 of the South Drumry Structural Works project will be £0.500m and will be funded from 2012/13 HRA Capital Programme

6. Risk Analysis

6.1 Structural Works as designed, specified and certified by Structural Engineers will be carried out to address structural risks previously identified at specific South Drumry addresses.

6.2 The contract and experiences to date have been reviewed and assessed to identify the best way forward to avoid unnecessary costs/disruption and dissatisfaction with standards of accommodation and finished product. This analysis has reaffirmed the scope of works as carried out at Jean Armour Drive as the best way forward.

7. Equalities Impact Assessment (EIA)

7.1 No equalities impact assessment was required in relation to this report.

8. Strategic Assessment

8.1 The South Drumry project contributes to the Asset Management Strategy via the provision of high quality housing.

9. Conclusions and Recommendations

- 9.1** The unforeseen nature of certain aspects of the structural and subsequent reinstatement works, carried out in the early part of the South Drumry contract, has led officers to consider further structural information and review the contract and experiences to date in order to identify the best way forward for the remaining addresses. The review has reaffirmed the scope of works, as carried out at Jean Armour Drive, as the best way forward.
- 9.2** During the review period, the 2011/12 budget for South Drumry Structural Works was reduced to £0.200m to partially offset reduction in anticipated capital receipts for 2011/12. This revised budget of £0.200m plus £0.500m from 2012/13 HRA Capital Programme will fund the remainder of Phase 1 works. It is proposed that works will restart in January 2012 with target completion in August 2012
- 9.3** It is recommended that Members: -
- (i) note the revised budget for South Drumry Structural Works of £0.200m for 2011/2012 and proposed budget of £0.500m for 2012/13; and
 - (ii) note that the scope of works, as carried out at Jean Armour Drive, has been identified by review as the best way forward and it is proposed to restart the remainder of Phase 1 works in January 2012 with target completion in August 2012

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Date: 28 November 2011

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Appendices:	None
Background Papers:	HRA Capital Programme 2011/2012 - Council, 30 March 2011 HRA Capital Programme 2011/2012 Budgetary Control Report to 30 September 2011 (period 6) - Housing, Environment and Economic Development Committee, 2 November 2011
Wards Affected:	5